

Storm Brewing Over Treaty 8 Court Case

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- Native Taxation Court Case has Important Implications
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- Why Free Trade Benefits Taxpayers

From the editor

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A courageous proposition

Seventy-six Liberals and three New Democrats. So what can be concluded about British Columbia's recent election? This writer's first reaction is that the NDP got too many seats!

Alright I couldn't resist. An arrogant and incompetent government got exactly what they deserved. But consider this.

The NDP earned – incredibly – 22% of the vote yet received a mere 4% of the seats in the provincial legislature. For their part, the Green Party's 12% granted them no seats at all.

To be sure, the Liberals under leader Gordon Campbell earned a majority government with 58% of the vote. But should that translate into 96% of the seats in the Legislature leaving the other 42% of BC voters unrepresented?

BC's last election result was even more bizarre. The NDP "won" the 1996 election – 100% of the power – with a mere 39% of the vote. Worse, they received 3% less of the vote than Gordon Campbell's Liberals who were relegated to the opposition benches.

It's not an anomaly. British Columbia's election results are often typical of outcomes in other provinces and federally. Simply put: our antiquated 'winner-take-all' voting system must go. It's time we get up to speed with

"It's time we get up to speed with virtually every major democracy on the planet and revise the rules in which we elect our politicians."

virtually every major democracy on the planet and revise the rules in which we elect our politicians.

The Canadian Taxpayers Federation is about holding those who control our tax dollars accountable. But how can we do that when election after election so many of our votes are wasted and simply don't count?

Oh sure we hear the tired old saws about 'free votes' and a more 'meaningful role for committees' blah, blah, blah. But all that is window dressing. Real accountability begins when voters' choices on Election Day are reflected in the make-up of our legislatures and Parliament.

This writer supports a system

that is more "proportional", in which seats are allocated to parties based on the popular vote. There are dozens of variations to consider.

The issue is gaining currency. The presence of the Electoral Change Coalition and Fair Vote BC created midway through the last decade [See launch of Fair Vote Canada page 15] led

Gordon Campbell to include a very significant commitment in his party's election platform: the creation of a citizens' assembly on voting reform whose recommendations will be put to a province-wide referendum for ratification.

One would find it difficult to imagine a group of randomly selected citizens who, after conducting a serious review of the current voting system would opt to keep the status quo.

It is an exciting and courageous proposition. Not since early in the last century has a government been elected in this country with such a specific policy on changing the voting system. It remains now for Mr. Campbell and his government to follow through.



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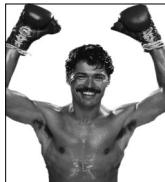
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Letters-to-the-editor

Pension Flip Flop

I want to convey my 100% support for [Troy Lanigan's] editorial comments in the March/April issue of *The Taxpayer*. You are so right about the Reform Party. Once Preston went against the very principles that identified the party, the predictable domino effect started. Your very appropriate comments on the pension trough participants are well deserved.

Name withheld, Moosomin, Sk

Gun control

I have been a supporter of the CTF for a number of years and have yet to see anything about the waste that has been created by the federal justice department in the implementation of Bill 68. I would like to remind you of the following:

- Bill 68 is important to most Westerners;
- Rock said they would stop at \$135 million;
- Costs have escalated to half a billion or more;
- Latest estimates by a Saskatchewan M.P. is over \$750 million.

I would like to know why you haven't gone after this complete waste of taxpayers money. Are you afraid to tackle them on this?

Letters to the Editor

Letters may be edited for length and content. Send them to:
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This is probably the most important issue to a majority of Westerners. All the info is readily available so lets get on it.

Al Lowe, E-mail

*Bill 68 has not been a top priority for the CTF but it has certainly been a priority. We have done several articles in *The Taxpayer* magazine, included an article in a special rural supplement we did this past year, addressed the cost issue in the media and pressed politicians on the same when possible. Most recently we have begun circulating a petition. NOT to the federal government that seems to ignore them but to the Auditor General of Canada who we are lobbying to conduct a full investigation. Hopefully his office could bring legitimacy to what people like yourself have been saying all along. I asked our Edmonton office to forward you an electronic copy of the petition and encourage you to distribute it.*

Ed

Referendums

"Spawn of Satan" is a good article. Just keep saying referendum out loud and often.

For starters, we need a referendum on whether we have the right "not" to belong to a union. Watch the unions run scared when someone explains the issues in a non-hysterical tone and gives the public the real facts. Forcing community and day-care centres to unionize! How can we let it happen without a fight?

Thanks for giving the Teddy Award to the Alliance. Shame on them after making such a big thing of not accepting pensions.

A. Luchen, Virden, Manitoba

Publishing subsidies

Let me first say that I do not qualify nor do I want any government subsidies for producing my publications. I am an independent publisher developing and selling management handbooks around the world (67 countries so far). Like many small businesses, it can be tough slugging at times but there are rewards. The publications are marketed business to business, through targeted direct mail and our web site. They are not sold through retail outlets like Chapters. Hence, I have to pay close attention to inventory levels and absorb the losses when they occur.

It frustrates me to hear that Sheila Copps wants to give "some" subsidies to offset the losses of Canadian book publishers because Chapters won't pay them. It's a pretty sad situation and I fear it's going to get worse!

Mark Hiltz, Ottawa, Ontario

Indian Taxation

I didn't know there was a court case pending on whether Indians should be totally tax free on and off reserve. I believe that the whole tax exemption issue has caused a lot division between the natives and non-natives. If the Indians want to be respected, then it's time they paid their own way like the rest of the people in this country. The notion of making one race of people in Canada tax-free will only bring more division between them.

Joyce Munro, E-mail

Waste Briefs

"Jaguars just aren't what they used to be." This is the line that Gaetan Frigon, CEO of the Quebec government's liquor commission, used to justify his agency's purchase of a \$59,000 Jaguar so he could drive in luxury while on government business. According to reports, Frigon loves his Jaquar. He particularly enjoys the way people look at it when the CEO and his chauffeur drive by in their taxpayer-funded vehicle. Frigon also earns a Jaguar salary to go along with the car. At \$157,000 a year, Frigon earns \$50,000 more than his counterpart in Ontario who only drives a Chrysler Concorde.

- *National Post*

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The federal government gave a Montreal based firm, Groupaction Marketing, \$615,000 to determine if the feds were getting their money's worth from the same company! Since 1997, Groupaction has received \$11.5 million to organize the federal government's sponsorship of fishing, recreation and hunting events. Most find it incredible that the feds would give a company money to evaluate its own work. The company is also a major contributor to the Liberal Party. Groupaction and an affiliated company gave \$52,000 to the Liberal Party in 1999.

- *Globe and Mail*

■ ■ ■

Question: When can a business make more money when it's closed than when it's open?
Answer: When it's run by the government.

TransLink is a regional transportation

Waste Watch

authority in Vancouver responsible for providing public transportation for people in the Lower Mainland. The employees on one of TransLink's subsidiaries, Coast Mountain Bus Co. (CMBC), have been on strike since the beginning of April. However, this company loses so much money when it operates, that TransLink does better when CMBC is shut down. Because of the strike, TransLink saves \$238,000 a day which worked out to a savings of \$4.2 million between April 1st and April 20th.

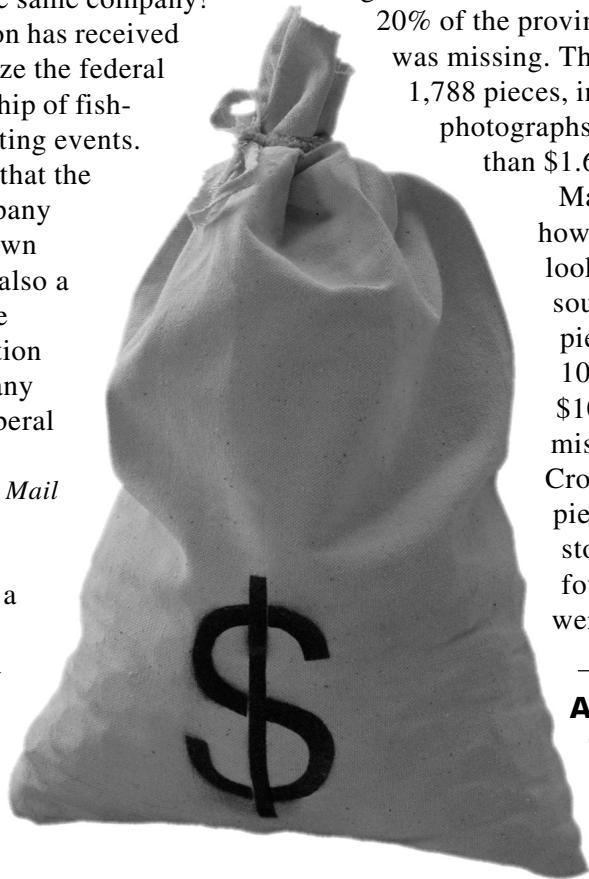
Unfortunately, taxpayers won't see any of this money. TransLink managers plan to use the savings to reduce fares so they can get disenchanted travellers back riding the buses. Once customers are back, TransLink can start losing millions of dollars on these routes once again.

- *The Province*

■ ■ ■

Last fall, Newfoundland's provincial auditor-general, Elizabeth Marshall, reported that up to 20% of the province's valuable art collection was missing. The collection is made up of 1,788 pieces, includes paintings, sculptures, photographs and carvings, worth more than \$1.6 million.

Marshall wanted to find out how well the government was looking after the collection and sought to view a sample of 506 pieces. Marshall couldn't find 102 of these pieces valued at \$106,000. This included several missing from a dismantled Crown agency. Another 70 pieces were listed as being in storage, but the auditor only found 17. Five other items were eventually discovered in



Are some natives using their tax-exempt status to take tax laundering to new heights?

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other locations.

This list of missing items did not include 16 pieces of artwork worth nearly \$6,000 which the government previously recorded as lost.

- *National Post*

ACOA's bottom line. Between 1987 and October 2000, ACOA

provided \$683.2 million in financial assistance. Of that amount, over \$127 million has either been written off or is considered to be in default.

- *National Post*

■ ■ ■

Lorne Persiko is getting a good deal as a result of the generosity of the Toronto Parking Authority (TPA). Persiko, the TPA's real estate and development director, lives in a \$400,000 home which the TPA bought back in 1993. The Agency bought the property with the intention of expanding its parking facilities. However, eight years later and the bureaucracy has yet to do anything. In the meantime, Persiko only pays \$1,300 for rent on this home in the pricey Yonge-Eglinton area of Toronto. Similar properties in the area generate rental revenues of up to \$2,900. For a period of time, Persiko even sublet part of the home for \$600 a month.

- *Toronto Star*

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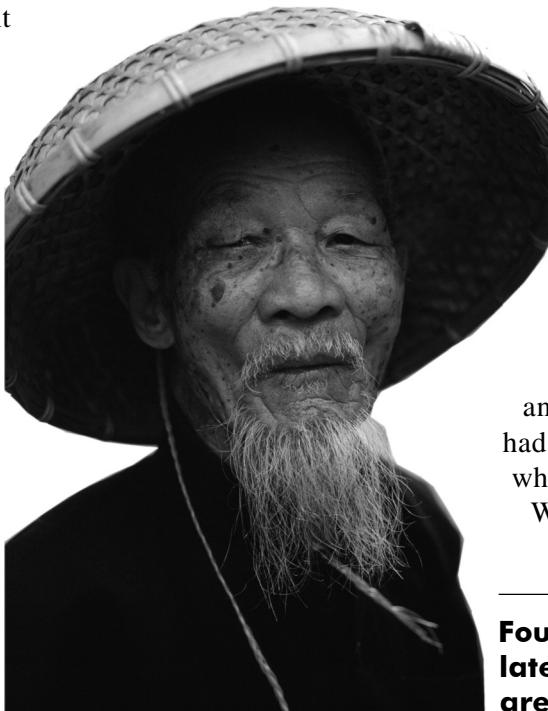
It's a story that never stops. Remember Paul Cochrane? He was the assistant to the federal Deputy Minister of Health who joined the staff members of the Saganeek Alcohol Treatment Centre in Manitoba on their taxpayer-funded cruise trip. Cochrane was the bureaucrat who authorized the funding for this treatment centre and has since been put on paid leave.

Suspecting that the cruise trip was just the tip of the iceberg, the *Globe and Mail* looked into Cochrane's other travelling habits. Between March 1997 and August 2000, Cochrane took 137 taxpayer-funded trips totalling 391 working days over this three year period. On most of these trips (100 in total), he was

joined by his assistant Ms. Dirks, which one department official said was 'a bit unusual.' Cochrane's travel itinerary, which involved mostly Canadian destinations, also included trips to Switzerland, Los Angeles, Chicago, England, Barbados, Peru, Hawaii, San Diego and Norway. Cochrane also had a hankering for the best when it came to hotels. While in Barbados, he

■ ■ ■

According to a note sent to Robert Thibault, the new minister responsible for the Atlantic Canada Opportunities Agency (ACOA), the RCMP is investigating 14 cases of potential fraud in his agency. ACOA is the government's slush fund for businesses in Atlantic Canada providing financial subsidies in the form of low interest loans. The number of files being investigated is up from 11 last year. Cases of fraud have a direct impact on



Four million tax dollars later and the TV sets still aren't turned on?

Waste Watch

stayed at Sam Lord's Castle where rooms cost up to \$400 US a night. Other hotels of choice included the Banff Springs and Hawaii's Maui Seaside and Hale Pohaku.

- *Globe and Mail*

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Remember last fall's federal election? When Prime Minister Jean Chretien dropped the writ, he was forced to cancel a trip to China previously scheduled at the same time. The trip which had been months in the planning cost taxpayers over \$4 million due to cancellation fees and related costs. This was four times higher than previously anticipated.

A big part of the expense was the \$445,000 cancellation fee charged by the China World Hotel in Bejing. Other costs included \$120,000 spent on pamphlets and booklets, and \$1.39 million for protocol costs, which are expenses related to the cancellation of special events such as banquets and concerts. There was also \$30,000 spent for mailings and couriers, \$25,000 on obsolete registration packages and \$532,000 for consultant contracts.

- *National Post*

Buhlergate

The Canadian Taxpayers Federation called on Manitoba Premier Gary Doer to come clean on his role in supporting an interest-free \$32 million Western Economic Diversification (WED) loan for the relocation of a Manitoba farm manufacturer.

Thanks to interventions by provincial and federal politicians, WED awarded Buhler Ver-

Cochrane's trip on the cruise ship was just the tip of the iceberg for this high-flying federal bureaucrat.

satile a \$32 million loan to buy a company worth only \$28.5 million. Now Buhler is determined to take the money and set up operations in North Dakota.

In the House of Commons, Federal Minister of Industry Brian Tobin referred to letters sent to him from the Manitoba Premier and Ministry of Industry "asking the national government to approve this transfer [loan to Buhler] without delay." Tobin later said that the loan was awarded at the request of the Manitoba government.

"Inadvertently, the NDP helped Americanize a Manitoba farm manufacturer," said CTF director Victor Vrsnik. Without the \$32 million WED loan, Buhler may not have been in a position to reopen operations across the border.

"The Manitoba NDP should stick to their pre-election promise to trim down business subsidies instead of meddling in yet another doomed corporate welfare program," added Vrsnik.

- CTF News Release

Administered to death

The Saskatchewan Division of the CTF, recently released information obtained under *Freedom of Information* on the administration costs for the Farm Land Property Tax Rebate Program. The \$50 million program provides rebates on education taxes farmers have to pay on their property.

The Saskatchewan government originally estimated that it would cost \$524,633 to administer the program in 2000-01. The administration costs, however, have since increased

24% to
\$649,193.

CTF director Richard



Waste Watch

Truscott said this is a classic example of how governments seem to have little ability to control their spending. No wonder, he added, that spending is up this year in every government department. The money is not going to the people who really need it, but rather to the endless chairs of bureaucracy required to manage it.

The solution, says Truscott, is for the government to directly increase funding for schools, and reduce the education property tax by 40% over two years and design a school tax system that is more sensitive to farmers' ability to pay.

- CTF News Release

Getting Shanghaied in Shanghai

Canadian governments sunk millions of dollars into a project in China described as a "sinkhole" for tax dollars. The idea, the brain child of Montreal mayor Pierre Bourque, involved building a pavilion in Shanghai's economic park that was supposed to be, according to China's official propaganda, an "enclave of new technology and banking."

Montreal Gardens, as it is called, opened last year. The project cost \$5 million, with \$1 million coming from the federal government. The city of Montreal was supposed to contribute \$375,000 but ended up paying closer to

\$1 million due to cost overruns. The Quebec government kicked in \$950,000 and the private sector forked over another million. The Chinese government threw in the labour to construct the building.

The Canadian governments, caught up in the frenzied excitement surrounding this project, claimed it would provide tremendous opportunity for Quebec businesses to promote their services to the Chinese people.

However, the park is located so far out of Shanghai, that virtually no one visits the site. The Chinese officials eventually changed its name from Central Park to Century Park. No indication if this was done to more accurately reflect how long it takes to get there. As well, the area remains largely undeveloped and most of the buildings that were constructed at the site sit empty.

The pavilion has a number of TV sets intended to broadcast a "swirling dance of images" as a "glorious testament" to the achievement of the people of Montreal. But they were shut off the last time someone visited, which tells you more than you want to know. The aboriginal trinkets sold at the store located in the pavilion are priced so high that the Chinese, if they could get to the store, could not afford them.

Right from the beginning the project proved a disaster. The construction was supposed to provide unique work opportunities for the Chinese people.

Instead, it was censured by human rights groups because of squalid living and working conditions.

- Ottawa Citizen



Bureaucracy eats away at property tax rebates?

Ottawa rakes it in
The CTF released data obtained through *Access to Information* which reveals that the federal government collects over 20 times more in penal-

Waste Watch

ties and interest owing on back and late taxes than it pays out in refund interest.

"It is clear from this data that penalties and interest charged on back and late taxes rakes in much more than a pretty penny for the federal government," stated CTF federal director Walter Robinson.

The CTF pointed out that the government charges interest on balances owing at a 10% annual rate of interest compounded daily, but only pays out 8% on refunds!

There is also a penalty for late filing when taxes are owed to the federal government of an immediate 5% of the amount owed. This tax grab penalty jumps by 1% a month up to 12 months for a maximum penalty of 17%.

In 1995, the feds collected \$856 million in penalty and interest charges off late filers which was 21 times the amount they paid in interest on late refunds of \$40 million.

By 1999, Ottawa had only collected \$468 million in penalty and interest charges while paying refund interest of \$21 million. Though total charges declined, the federal government was still clearly winning the ratio war as its penalty-to-refund ratio was 23 times higher that year.

While there appears to have been a decline in penalties and interest charges between 1995 and 1999, as tax court proceedings are resolved, there will no doubt be a substantial jump in

penalties and interest owed on 1999 returns.

- CTF files

Tax Fraud

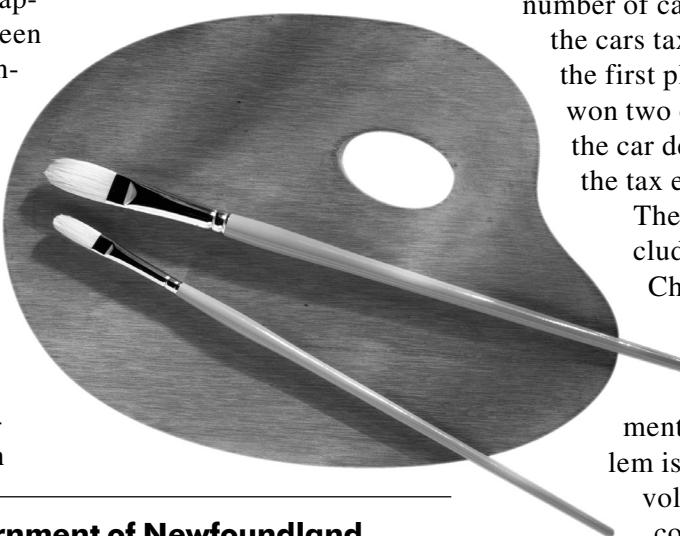
The federal government is losing millions of dollars in tax revenues each year through illegal tax evasion.

Some native Canadians, taking advantage of their tax exempt status, are buying high priced items such as luxury cars which are GST and PST exempt. They then turn around and resell these vehicles to non-natives or export firms selling the cars overseas. The Indians are required to collect the GST and PST when selling to non-natives, which they do. But the government never sees the money. The Indians are using numbered companies based on the reserve for the scam and by the time the tax auditors catch on to what's going on, the numbered company is long gone, along with the tax dollars.

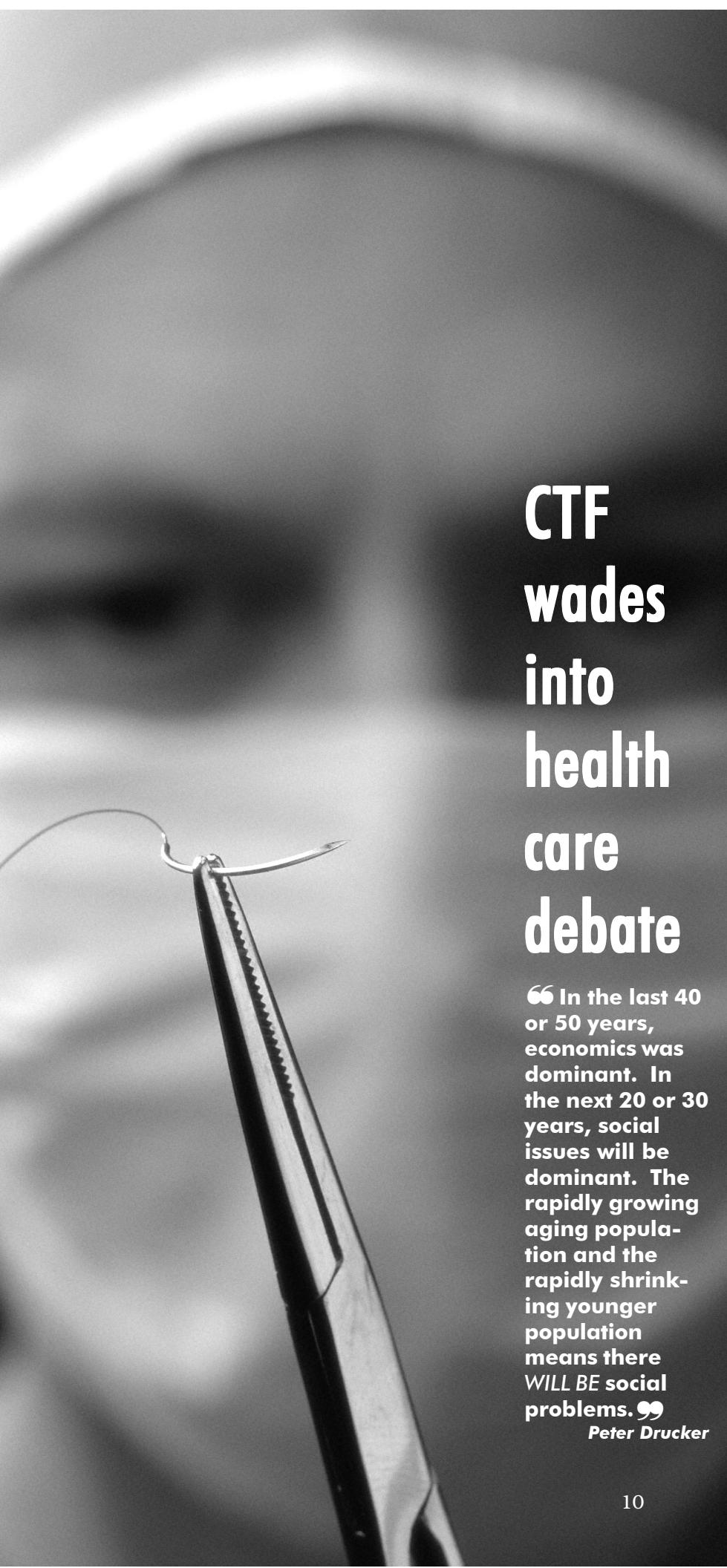
Over the last 18 months the Quebec and federal governments lost nearly \$25 million in sales tax revenues. In one case, 95 Jeep Cherokees worth about \$40,000 each were sold costing the governments \$700,000 in lost sales tax revenue. The government took a number of car dealers to court who sold the cars tax-exempt to the natives in the first place. The governments won two of these cases suggesting the car dealers were in cahoots with the tax evaders.

They lost two other cases, including the one involving the Cherokees, because the judge ruled that the car dealers were not the guilty party. The government is finding out this problem is widespread and could involve other products such as computers.

- Ottawa Citizen



Is the government of Newfoundland losing valuable artwork faster than it can buy it?



By Walter Robinson

CTF wades into health care debate

“In the last 40 or 50 years, economics was dominant. In the next 20 or 30 years, social issues will be dominant. The rapidly growing aging population and the rapidly shrinking younger population means there WILL BE social problems.”

Peter Drucker

The quote on the bottom left of this page from management guru and prolific author, Peter Drucker, sums up the public policy challenges we will face in the next quarter century. And nowhere is this more evident than in the field of health care.

Public opinion surveys bear this out as does a survey completed by you as a CTF supporter last fall. When asked what two elements were most essential for a healthcare system, quality and timeliness of care were tied for top spot at 26%. Interestingly enough, universality (the principle that our politicians cling to above all else) was a close third at 20%.

Also, 65% of CTF supporters eschewed the bickering between Ottawa and the provinces by noting that health care is a shared responsibility between the two levels of government. And indeed it is. While section 92 of the constitution gives the provinces jurisdiction over hospitals and physicians (whose medically necessary interventions are covered by the *Canada Health Act*), the federal government also plays a key role.

It is responsible for the health of our aboriginal and Inuit communities, the RCMP, correctional services and our armed forces personnel both at home and abroad. Ottawa licenses new drugs and pharmaceuticals, certifies medical devices and equipment, and has invested heavily in the Medical Research Council (now the Canadian Institutes of Health Research) for over 40 years. And if we are to broaden the definition of health care even further, its role in regulating fish, food and soil safety is far reaching.

This brings us to this past April and the appointment of former Saskatchewan Premier, Roy Romanow, to head a one-man Royal Commission to examine the future of Medicare.

THE TAXPAYER

While reports vary on his thoughts concerning the five principles of the *Canada Health Act*, suffice it to say, like Prime Minister Jean Chretien, he is wedded to the status quo.

If Mr. Romanow believes that the *Canada Health Act* (the Act) does not need revision, he should simply say so, deliver a quick one-page report, bill us for a day or two of work at his \$750 per diem and save us the \$15 million his Commission is budgeted to spend.

Just to recap, the five principles of the *Canada Health Act* are universality, public administration, portability, comprehensiveness and accessibility. But it should be noted that these principles only apply to hospital-based and physician services.

And with fewer health expen-

ity to enforce parity in inter-provincial billing schedules, it is clear the Act does not work in many instances.

Shortly after Labour Day, the Canadian Taxpayers Federation (CTF) will release a comprehensive and ambitious analysis of our health care system. From its history to its problems to potential solutions, the CTF will leave no stone unturned in its search for positive prescriptions for a system that is truly in crisis!

If spending continues apace (even with 3% annual revenue growth), health care will consume the entire provincial budget in Manitoba by 2018, New Brunswick by 2025, Nova Scotia by 2027, Alberta by 2031 and Ontario by 2038.

Worse still are the human re-

being one of them) have stood by the Act as if it were a sacred icon and told Canadians that more money and better management will restore the system.

But Canadians have already dismissed this approach. An Ipsos-Reid/Canadian Medical Association poll last year found that only 47% of Canadians were confident lasting solutions to Canada's healthcare challenges could be found. Another 42% said things would get worse and 11% noted that "there are no lasting solutions to the challenges" facing our health care system.

Mr. Romanow should consider modernization of the Act as one of his key priorities. Universality is a core principle, but new principles of public governance, accountability, quality, choice and

“If Mr. Romanow believes that the *Canada Health Act* does not need revision, he should simply say so, deliver a quick one-page report, bill us for a day or two of work at his \$750 per diem and save us the \$15 million his Commission is budgeted to spend.”

ditures being consumed inside of hospitals (at 32.8% in 2000 down from 45% in 1975, according to the Canadian Institute for Health Information), the applicability of the Act is limited.

With the possible exception of the principle of universality, the rest of them are violated each and every day all across Canada. From private MRI clinics operating in four provinces to the federal Health Minister's cowardly inabil-

source issues. Nationally, the average age of our nurses is 44 and the average age of physicians in Ontario is 50. In just a few years, these professions, not only in rural areas but also in cities, will drastically underserve Canadians. And we can't fill medical or nursing schools fast enough to fill these gaps. Nor will immigration meet this entire need.

All along, the advocates of status quo Medicare (Mr. Romanow

intergenerational sustainability are warranted and long overdue.

In the coming months the CTF will lay out the clear facts on health care in a non-confrontational and rational manner in order to give taxpayers a voice in this pivotal debate (one which they don't have now) and ensure that our politicians listen to and act upon our wishes. It's time that EVERYTHING be on the table Mr. Romanow.■

Third Annual Teddy Awards - The ~~Best~~ Worst Ever

By Walter Robinson

The tux was pressed, the shoes were polished, and the model was stunning. The lights and cameras rolled and yours truly strode upon the press conference stage in the basement of Parliament Hill on March 22 to emcee the third annual Teddy awards ceremony.

The *Teddies* are named after Ted Weatherill, a former senior public servant who was terminated in 1999 for “expenses incurred by him ... incompatible with his position as Chairman of the Canada Labour Relations Board.”

The Teddies are awarded annually to a public office holder, civil servant, department or agency, that most exemplifies government waste, overspending, over-taxation, excessive regulation, lack of accountability, or any combination of the five.

Now, while Canadians may enjoy watching the Oscar or Grammy awards, the Teddies are not a pleasant experience. A good year for the Teddies means it was a bad year for taxpayers. Here is a summary of the nominees and winners in each of three categories:

Federal Nominees:

■ Best Collaboration on an R-

Rated Film: Health Canada and Human Resources Development

Canada for their combined support of a youth conference held at Georgian College in Barrie this past February that included a session on safe sado-masochistic sex.

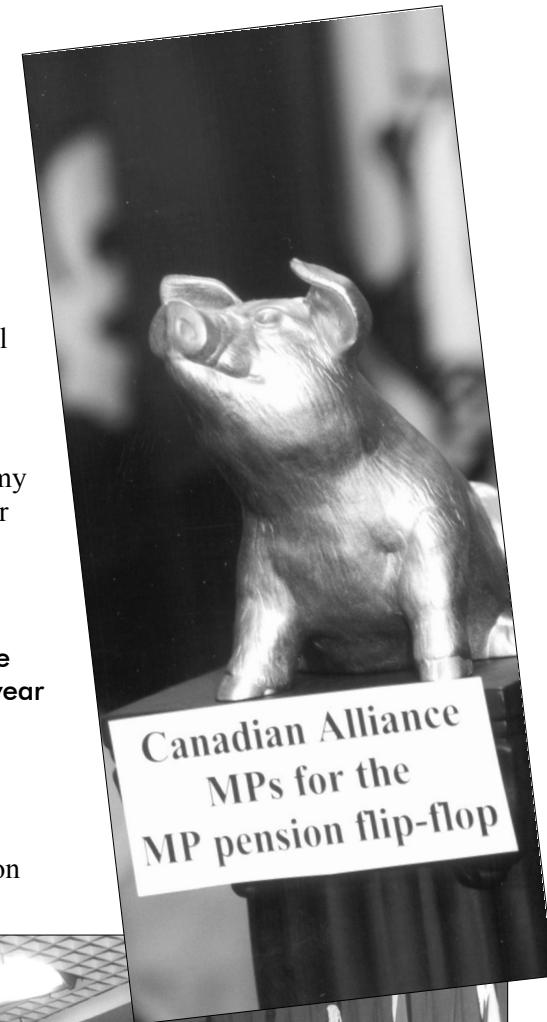
■ Best Waste of Money in a Documentary:

The Social Sciences and Humanities Research Council for its contribution of \$50,000 towards a three-year study of the history of erotic entertainment in Vancouver from 1945 to 1980.

■ Best Check and Imbalance in Government

Cheques: Public Works and Government Services Canada for spending over \$680,000 for a new federal cheque design that included a one-time commemorative Y2K symbol.

“A good year for the Teddies means a bad year for taxpayers.”



■ Best Sound Effects in a

Sequel (Pig Squealing): All but three current Canadian Alliance MPs elected in 1993 that opted backed into the MP pension plan.

■ Best Film Adaptation of a Keystone Cops Routine:

Health Canada for continuing to fund the Sagkeeng First Nations Addiction Treatment Centre north of Winnipeg even after tips that 30 staff members took a Caribbean cruise at taxpayer expense. Also for ignoring a 1997 audit showing that staff members used tax dollars to take trips to Australia, Las Vegas and Hawaii.

The envelope please ...

And the federal Teddy goes to ... hands down, no contest ... the majority of Canadian Alliance MPs from the class of 1993 for abandoning their once laudable and principled stand against the gold-plated MP pension plan and opting back in quicker than an Olympic sprinter on steroids. Incidentally, this flip-flop will cost taxpayers an estimated \$14 million in extra pension payouts over the 20 years that most Alliance MPs are projected to collect their pensions.

Provincial/Municipal Nominees:

■ Best Screenplay for Arrogance and a Total Disconnect with Taxpayers:

The Mike Harris government in Ontario found itself on the Titanic for even

daring to contemplate a 42.2% pay raise for MPPs last November after an earlier report recommending a 32.6% pay hike was roundly criticized.

■ Best Example of Future Cinematography:

The City of Ottawa and the Ontario Arts Council jointly funded a 10-week program to give union members better skills for use on the picket line. A local theatre professional and the Ottawa Labour Council are using their \$11,000 grant to develop "Action Through Theatre", a program to train union members to organize skits, build puppet and clown characters so they can communicate better and get more publicity.

■ Best Use of Slot Machine Profits to Accumulate

Frequent Flyer Points: According to the Provincial Auditor, the Saskatchewan Indian Gaming Authority (SIGA) misspent over \$2.3 million including \$360,000 in unauthorized credit card and debit advances in one year to its former CEO Dutch Lerat. First-class flights (even on the Concorde) for SIGA board members, families, and friends included far-flung destinations such as



Glen Clark, former
Premier of British
Columbia



Glen Clark, former
Premier of British
Columbia

Canadian Alliance
MPs for the
MP pension flip-flop

Saskatchewan
Indian Gaming
Authority CEO and
Board Members

“ A Lifetime Achievement **Teddy** was bestowed in-absentia to former British Columbia Premier Glen Clark for his “leadership” role in helping to run B.C.’s economy into the ground over the past decade. He follows in the hallowed foot steps of Sheila Copps and Michael Wilson. ”

THE TAXPAYER

Australia, Barcelona, Spain, London, Switzerland, and Mexico City.

■ **Most Creative Use of Food for Political Expression:** The Quebec government gave a grant of \$112,440 to “a symposium of comic activists and self-styled pastry terrorists” which ran from April 1st to April 9th 2000. Talk about April fools!

■ **Outstanding Special Effects in a Crash Scene (Driving a Bus the Wrong Way in Traffic):**

TransLink, the agency responsible for road and transit construction in greater Vancouver, tried to impose a \$100 million, \$75 per vehicle property tax on all greater Vancouver motorists. CTF opposition to this scheme included an 18,000 signature petition and simple yet effective alternatives to finance needed road and infrastructure improvements. The provincial government capitulated and eliminated the tax.

The envelope please ...

And the provincial/municipal Teddy is awarded to SIGA and its former CEO for squandering \$2.3 million of public money. It seems Mr. Lerat and some of his colleagues brought a whole new meaning to winning a casino jackpot.

Lifetime Achievement Award Winner:

A Lifetime Achievement *Teddy* was bestowed in absentia to former British Columbia Premier Glen Clark for his “leadership” role in helping to run B.C.’s economy into the ground over the past decade.

As Finance Minister, Mr. Clark raised income taxes, surtaxes, user fees, crown corporation fees, property taxes, automobile taxes, liquor taxes, cigarette taxes, estate taxes, medicare taxes, corporate capital taxes, general business taxes, small business taxes, resource taxes, sales taxes and fuel taxes by a whopping \$1.5 billion over two budgets.

Mr. Clark managed to add at least \$6 billion to the provincial debt while he was the Finance Minister, and by the time he left the Office of Premier, had been part of a government that doubled B.C.’s debt from \$17 billion to almost \$34 billion. Unfortunately, the citizens of B.C. will suffer for years to come because of Mr. Clark’s abhorrent stewardship of British Columbia’s fiscal and economic affairs. His \$1.7 million pension may well be a bargain for B.C. taxpayers to forever keep him from the reins of power. ■



Fair Vote Canada

Changing the way we elect politicians



A historic gathering took place this past March 30-31 in the nation's capital. Academics, activists, politicians and citizens from across the political spectrum took part in the launch of a new organization aimed at reforming Canada's democracy.

Fair Vote Canada is a citizen-based group whose goal it is to force a national referendum that would enable Canadians to choose a voting system to elect Members to the House of Commons.

Canadians are increasingly aware of the shortcomings of our first-past-the-post-voting system. On a typical election night most voters — that is the majority — find that their candidate lost. It is seldom that a Member of Parliament is elected by a "majority" and it is almost unheard of that a government receives majority support.

Second, votes are seldom treated equally. For example, voters in the four Western provinces who voted Alliance in the last election won one seat for every 29,395 votes but in Ontario Alliance voters needed 524,424 votes per seat.

Unfortunately, these and so

Above: News Conference announcing the formation of Fair Vote Canada, March 29, 2001 in Ottawa

many other shortcomings of the status quo are raised briefly after an election and then disappear. What the founders of Fair Vote Canada are committed to is an ongoing dialogue with politicians, the media and public at large, not only to point out the shortcomings, but also present the many alternatives available for Canadians to choose from.

Indeed, Canada's democracy is standing still. Canada is but one of four countries in the world that still elect their legislators this way. Even Great Britain is in the process of change!

Momentum is one thing but the real strength of Fair Vote Canada rests in the commitment of its leadership and diversity of its membership. Political parties from the Greens and NDP on the Left joined the Christian Heritage Party and Libertarians on the Right. Leading feminist and commentator Judy Rebick spoke along side CTF federal director Walter Robinson.

The organization is headed by Larry Gordon, an executive with a Toronto-based credit union. CTF National Communications director Troy Lanigan also serves on the national executive.

From here, the organization is launching a major membership and petition drive, making speakers available to events, presenting to government committees and providing comment to the media. ■

Join Fair Vote Canada

Annual memberships are just \$25 (or \$10 for students). If you'd like to join or receive more information contact: Fair Vote Canada, 26 Maryland Blvd., Toronto, Ontario, M4C 5C9
Phone (416)410-4034 E-mail: info@fairvotecanada.org
or click on: www.fairvotecanada.org

Around **The CTF**

Each month CTF offices in five provinces and Ottawa handle hundreds of media interviews and inquiries, hold press conferences, publish reports, make presentations to government and issue regular news releases, commentaries and publications to advocate the common interest of taxpayers. The following summarizes CTF activities for the months of March and April 2001.

March

ALBERTA:

- ◆ The campaign to eliminate provincial income tax continues. At an unforgettable press conference in front of the legislature, director John Carpay cuts a mock 4 x 5 foot income tax form in half and challenges all candidates in the provincial election to sign an "Income Tax Freedom Pledge". In the end, 23 candidates who signed the pledge were elected as MLAs.

ONTARIO:

- ◆ As part of its pre-budget consultation the CTF is invited to meet with the Finance Minis-

ter, Premier's Chief of Staff and Opposition Leader to press for mandatory debt reduction and controls on spending growth.

SASKATCHEWAN:

- ◆ The CTF takes its campaign to lower school property taxes directly to the premier with the delivery of 12,500 petitions demanding a 40% reduction over the next two years.

- ◆ The CTF presents its final recommendations to the Minister of Finance along with a 9,000 name petition calling for deeper income tax cuts. The CTF would later react unfavourably to a budget that increases spending in virtually every government department and offers no new personal income tax relief.

BRITISH COLUMBIA:

- ◆ The CTF leads opposition to pay equity legislation that would empower the human rights tribunal to impose "equal value" comparisons in the private sector. A seven-page information package is put together and distributed to Opposition MLAs and the media.

March/April 2001 Activity Report

Office	Media Contacts	Events/ Speaking Engagements/ Releases
Ottawa	159	22
Sask	148	18
BC	108	17
Alberta	104	48
Manitoba	83	20
Ontario	42	12
Total	644	137

- ◆ The CTF slammed a BC budget which increases spending by \$2-billion and offers no tax relief. The CTF also releases its first weekly instalment detailing how much new spending each party has promised in the lead-up to a provincial election. By the end of the campaign, the NDP had committed to \$7.1-billion in new spending, while the Liberals came in at \$3.9-billion.

PRAIRIES:

- ◆ CTF director Richard Truscott releases information obtained

through Freedom of Information showing that administration costs for the federal farm AIDA program could top \$100-million – more than three times the original estimate!

NATIONAL:

- ◆ On appeal, the CTF wins leave to intervene in an important court case between the federal government and Treaty Eight Indians set to begin in May 2001. See full story on page 21.
- ◆ The third annual “Teddy Waste Awards” (modelled after the Oscars) were handed out at a black tie news conference on Parliament Hill. A golden sow – honouring the best of the worst in high taxes and overspending – was handed out in three categories. See full story on page 12.

MANITOBA:

- ◆ As the NDP government prepares to review the province’s Access to Information law, the CTF and its working group sends an open letter to the Minister asking for a meeting and presses for open government. A column on the subject is published in the *Winnipeg Free Press*.

FEDERAL:

- ◆ The Canadian Taxpayers Federation was front and center in supporting and participating in the launch of a new organization Fair Vote Canada dedicated to a national ref-

erendum on choosing a new voting system to replace first-past-the-post. See full story page 15.

APRIL

ALBERTA:

- ◆ CTF director John Carpay holds separate meetings with Alberta Revenue Minister Greg Melchin and with Finance Minister Pat Nelson to present the CTF’s proposal for eliminating income tax. The CTF presses for a legislated cap on spending growth
- ◆ The Alberta budget provides plenty in new spending but nothing in new tax relief. The CTF notes that spending is now up an alarming 34% from just five years ago after adjusting for population growth and inflation.

MANITOBA:

- ◆ The CTF dubs Manitoba’s provincial budget the ‘2001 Spending Odyssey’. CTF analysis revels that for every \$1 in tax cuts, spending is up by \$6. The Official Opposition cites CTF analysis in the provincial legislature.

FEDERAL:

- ◆ CTF representatives meet with the Lumley commission on MP compensation and press for the principles of simplicity, accountability, transparency and fairness. A formal proposal will be presented in May.

News

For immediate Release

April 12, 2001

CTF Challenges NDP Math

WINNIPEG: A recent "Fast Facts" release from Manitoba Finance is playing fast and loose with the facts, circulating inaccurate information on the ratio of program expenditures to the Manitoba budget.

"The government's 3:1 spending to tax cuts ratio is misleading," says CTF director. "The Finance Department misrepresents the facts without balancing the books."

According to estimates, the Manitoba budget is balanced.

BRITISH COLUMBIA:

- ◆ In late April, BC director Mark Milke unveiled an “Accountability Guarantee” for BC Liberal leader Gordon Campbell to sign during the provincial election. Based on Liberal party promises, the Guarantee would have committed the Liberal leader to fulfilling promises on tax relief, citizen initiated referendums, recall, and voting reform. Though the event garnered good print, TV, and radio coverage, Campbell refused to sign the Guarantee.

Why Free Trade Benefits Taxpayers



by Mark Milke

When leaders from 34 countries gathered in Quebec City recently to expand political and economic cooperation in the western hemisphere, the usual suspects were present to smash local merchant windows as they raged against worldwide commerce. Given the benefits of free trade, i.e. – guaranteed access for poor countries to the large markets of the rich, the subsequent wealth creation, jobs, environmental improvements, and growing wages over time – the protesters could not be more mistaken in their opposition to free trade.

But beyond the proven economic benefits of free trade there

is also one critical but often overlooked reason why liberalized world trade makes eminent sense: successful trade agreements – when adhered to – liberate taxpayers in rich and poor countries alike from subsidy-loving politicians and corporations.

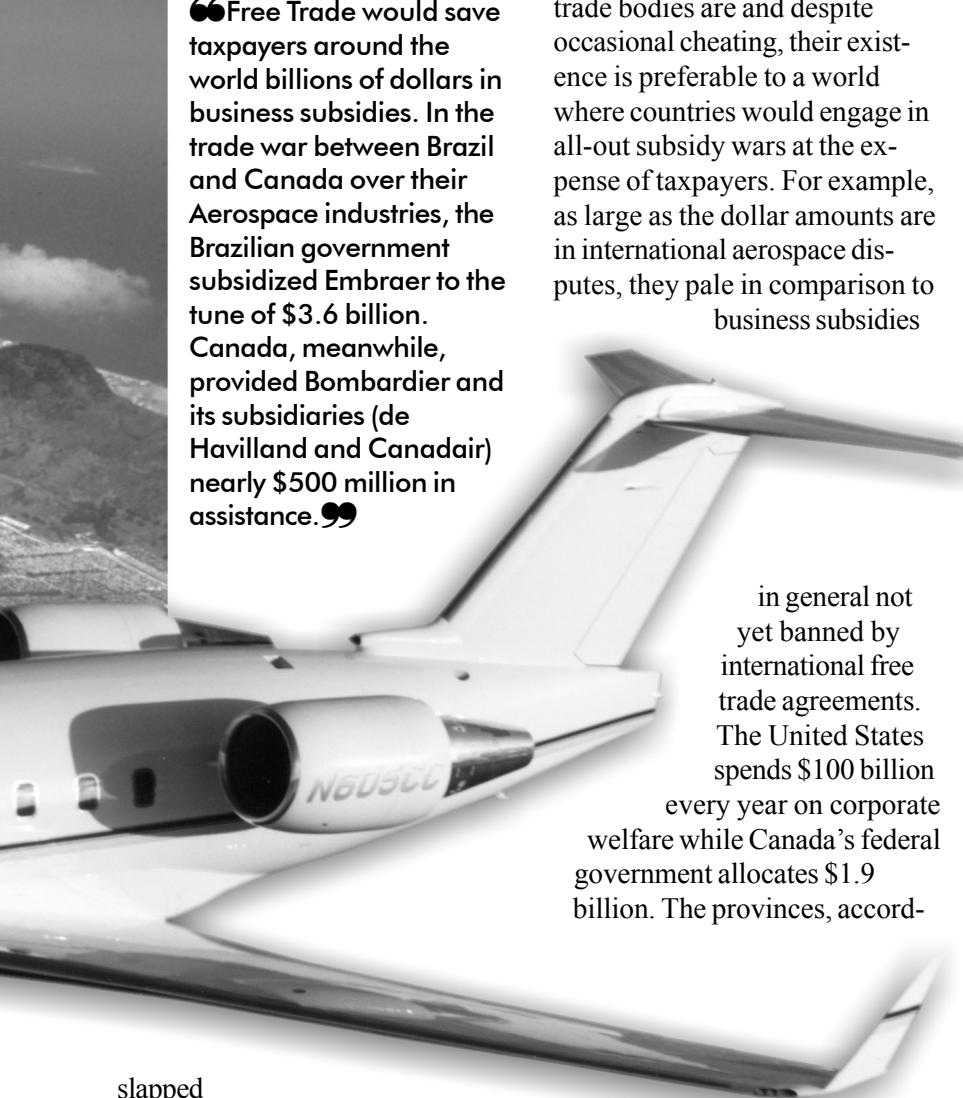
Worldwide, governments routinely throw vast sums of money at business and justify the tax dollars because of the subsidies *other* countries provide. One chronic example is the aerospace industry. Brazil has provided an interest subsidy of between \$2.3-million and \$5.3-million per regional jet sold by Embraer. Six years and a thousand jets later, Brazil's taxpayers, whose per capita income is one-third that of

Canadians, have pumped an estimated \$3.6-billion into their aerospace industry under just one subsidy program. In Canada, Bombardier and the two companies it acquired (De Havilland and Canadair) received \$396 million in research and development subsidies from taxpayers since 1986. They received another \$45 million from funds to which other companies also access. (And other companies have taken even more. Pratt and Whitney was eligible for \$949 million worth of grants and conditionally repayable loans between 1982 and 1998.)

The World Trade Organization has repeatedly ruled that Brazil's subsidies are illegal and also

THE TAXPAYER

“Free Trade would save taxpayers around the world billions of dollars in business subsidies. In the trade war between Brazil and Canada over their Aerospace industries, the Brazilian government subsidized Embraer to the tune of \$3.6 billion. Canada, meanwhile, provided Bombardier and its subsidiaries (de Havilland and Canadair) nearly \$500 million in assistance.”



trade bodies are and despite occasional cheating, their existence is preferable to a world where countries would engage in all-out subsidy wars at the expense of taxpayers. For example, as large as the dollar amounts are in international aerospace disputes, they pale in comparison to business subsidies

in general not yet banned by international free trade agreements. The United States spends \$100 billion every year on corporate welfare while Canada's federal government allocates \$1.9 billion. The provinces, accord-

while railways took in \$233 billion in taxpayer cash in the early 1990s.

And then there is the mother of all subsidized trade: agriculture. According to OECD/Fraser Institute figures, total taxpayer and consumer transfers in just 1999 totalled almost \$7.4 billion in Canada, \$143 billion in the United States, and \$187 billion in the European Union. The total for the 24 richest OECD nations equalled \$484 billion. The per capita EU breakdown was \$499 compared to \$520 in the United States and \$242 per person in Canada.

An end to taxpayer subsidies is crucial, especially given that corporate welfare is proportionally more expensive for poorer countries and outright risky for lightly populated countries such as Canada. While taxpayer pork is politically attractive for one industry in the short-term, i.e., aerospace, Canada would be thrashed by an all-out subsidy war on a number of fronts all at once. We simply don't have enough taxpayers to finance a multi-front war, as the history of continually losing the agricultural subsidy battle to the Americans and the European Union demonstrates.

Liberalized trade provides opportunities for the world's poor to sell their goods and services to the world's richer countries; it boosts wages and environmental standards over time, and frees taxpayers from having to subsidize business. Thus, International free trade agreements are of immense use to both the world's poor and to taxpayers in general whose money will then be channelled to more efficient, effective, and productive uses. ■

slapped Canada once on this issue. In its defence, Bombardier argues it has not requested taxpayer assistance since 1996, and will repay \$484 million over time (though that is still a real dollar loss for taxpayers after inflation is taken into account). It also argues it will forego further help including potentially illegal government financing for potential buyers (i.e., Air Wisconsin) if Brazil stops cheating. Well, we shall see. Companies that take subsidies early on are hardly the best advocates for a subsidy-free world later in the game.

But imperfect as existing free

ing to a 1998 study by the Atlantic Institute for Market Studies, throw another \$5.4 billion of taxpayer money into the corporate pot every year.

While no global figure is available for the European Union, that continent's governments have long subsidized multiple industries at the expense of taxpayers. In 1997, the EU committed to pour \$3.1 billion worth of subsidies into Europe's shipbuilding industry. Between 1989 and 1996, the EU's automotive industry received \$9.1 billion in subsidies

Taxpayer Subsidies

Selected Examples

■ Agricultural support (annual taxpayer and consumer transfers)

	Total (millions CDN \$ 1999)	Per Person (CND \$ 1999)	Percent of GDP (1999)
Canada	\$7,363	\$242	0.8
European Union	187,047	499	1.5
United States	143,445	520	1.1
OECD (24 country average)	484,432	522	1.3

Sources: *OECD / Fraser Institute*

■ Business subsidies (taxpayer transfers) - United States:

C\$ 100 billion (US\$ 65 billion) annually. Source: *CATO Institute*

■ Business subsidies contributions (taxpayer transfers) - Canada:

Federal: C\$ 1.9 billion annually (*This figure does not include loan guarantees.*) Source: *Federal Ministry of Finance, Public Accounts*

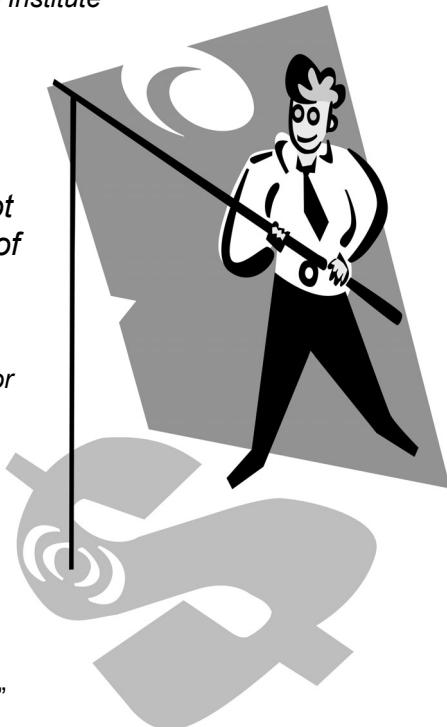
Provincial: C\$ 5.42 billion (Quebec \$3.14 billion / Rest of Canada: 2.28 billion) Source: *Atlantic Institute for Market Studies using 1998 figures*

■ Business subsidies - European Union: Selected industries

Auto industry: 1989-1996 – C\$ 9.1 billion (U.S.\$ 6.07 billion) (Source: Brandon Mictchener, "Europe looks askance at auto subsidies as overproduction looms as problem." *Wall Street Journal*, November 3, 1997)

Railways: C\$ 232 billion between 1990 and 1994 (or U.S.\$ 155 billion during that period.) (Source: Europe's new model railways, *Economist*, 28 September 1996)

Shipbuilding: In 1997, the European Union announced it was pouring U.S. C\$ 3.2 (US\$ 2.1 billion) **into new shipbuilding subsidies** in Spain, Germany, and France. Source: *William G. Flanagan, "Thanks for the subsidies," Forbes*, 7 July 1997.





NATIVE TAXATION COURT CASE HAS IMPORTANT IMPLICATIONS

By Richard Truscott

The Canadian Taxpayers Federation (CTF) is intervening in a court case that could have enormous consequences for every Canadian. If the plaintiffs win, it could force Canada to adopt racially-based tax policies, with hundreds of thousands of native people being exempt from taxes because of their ancestry, while other Canadians pick up the tab.

The case pits a number of individuals and groups against the

federal government in a bid to exempt Treaty 8 Indians from all taxes for all time. Currently, only natives living and working on reserves are exempt from taxes. The plaintiffs say that a universal tax exemption was promised in Treaty 8 (which covers parts of northern Alberta, Saskatchewan and BC), while the federal government disagrees. The case will undoubtedly set a crucial precedent about the tax status of Canada's native people.

Imagine the implications if the plaintiffs win. Natives are one of the

fastest growing segments of the Canadian population. How will we pay for social programs or fix the roads if a growing percentage of the population pays no tax, and an increasing number of other Canadians are retiring from work. Our economy would strain under the burden of high taxes while government services would increasingly be starved of money.

Victory for the plaintiffs would also be a proverbial poisoned chalice for native people. Canadians want reserve Indians to start paying

taxes as part of self-government negotiations, and many Indians realize that self-government requires self-support -- the ability to raise money from your own people and businesses. But a universal race-based tax exemption for status Indians could even rob Indian governments of the ability to raise money from their own people, putting an end to self-government for all practical purposes. Indian people would be tax-free but powerless dependants of governments they do not support financially and are alienated from politically. This would cement the destructive paternalism that most natives want to escape.

So there is a great deal at stake in this court case. And while the federal government nit-picks over the meaning of the Treaty and the attached commissioner's report (which allegedly contains a "no tax" promise) the CTF has been arguing that the real issue is one of equality. Section 15 of the Charter of Rights and Freedoms guarantees Canadians equality under the law without discrimination based on race, national or ethnic origin, colour or religion. This provision should override any and all discriminatory laws or

THE TAXPAYER

agreements. As a society, we should exempt people from paying taxes because they are too poor to pay, not because of some alleged historical entitlement based on ancestry.

The federal government is not making the equality argument -- maybe for political

reasons -- so the CTF has been seeking to intervene in the case to defend the equality of Canadians in tax law. Last summer a judge dismissed the CTF's case. But this past March the Federal Court of Appeal in Vancouver saw things differently and granted intervenor

status. The case will be heard this May-July in an Edmonton court room.

Should the plaintiffs in this case prevail it will lead to tax apartheid and inequality will be enshrined in our laws. Furthermore, the finances of our governments will be in doubt,

the taxes of other citizens will increase, government services will deteriorate, the progress of native people will be imperilled, and the relationship between natives and other Canadians will be poisoned.

Few court cases have the potential to be so destructive. ■

Too Many Chiefs, Not Enough Accountability

by Richard Truscott

While many Canadian natives live in "third world" conditions, without decent housing, job opportunities, property rights, or accountable government, they can take comfort in the fact that a lot of well-compensated politicians are looking after their interests.

A recent *Access To Information* request filed by the Canadian Taxpayers Federation with the federal Department of Indian Affairs revealed that Canada's 400,000 plus reserve Indians are represented by 3,800 elected chiefs and council members, or about one politician for every 105 people. These politicians don't come cheap. The cost to taxpayers of their salaries and honoraria comes to

\$91 million a year tax-free. Their travel expenses are another \$29 million a year.

To put this in perspective, if all Canadians were as thoroughly governed as reserve Indians, we would be blessed with 295,000 politicians, and be paying them about \$10 billion per year, plus travel. Imagine the living nightmare that Canada would be under these circumstances.

The average **reported** salary for an Indian politician in Canada is \$24,000 a year. Since money made on reserve is tax-free, the equivalent off-reserve salary would be about \$34,000. This varies widely from place to place. In the NWT the average Indian politician makes a tax-free

A16 NATIONAL

The StarPhoenix

Saskatoon, Saskatchewan

Friday, May 4, 2001

Top Native politicians' incomes beat Chretien's

Elected officials in Sask., B.C., N.W.T. eclipse PM's \$141,300

OTTAWA (CP) — Newly released government documents show aboriginal politicians earned tax-free incomes last year ranging, on average, from \$9,229 in the Northwest Territories to \$40,424 in Alberta.

But at the top of the scale, at least one elected official in British Columbia took home \$250,000 in salary and honouraria, an Atlantic leader netted \$218,000, one in the Northwest Territories was paid \$199,000, and a Saskatchewan leader collected \$152,000.

They surpass Prime Minister Jean Chretien's salary of \$141,300.

long-standing requirement for reporting leaders' salaries, honouraria and travel expenses after years of allowing financially sound bands to submit less detailed audits.

The figures, which were not broken down by elected official because of privacy issues, were released to the Canadian Taxpayers Federation under Access to Information.

They offer the first public glimpse of how 3,800 people elected to represent about 600,000 aborigines on and off reserve were compensated.

"The one thing it does show is that, on average, the salaries and honouraria are probably not compensated at all for First Nations," said Richard LaRose, director of the Canadian Taxpayers Federation.

LaRose said of Canada's more than 600 First Nations.

"They have to make their own decisions and ask their elected officials to be accountable to them."

Richard Truscott, Saskatchewan director for the Canadian Taxpayers Federation, questioned the salaries, given that most reserves have 1,000 people or fewer.

"Most local governments are certainly not compensated to this degree," he said. "They might get a couple of thousand dollars to pay their travel expenses, kind of per diem for maybe a month, but they don't make \$30,000."

First Nation elected official's salaries, honoraria and travel expenses

Number of places	Salary and honoraria ranges (rounded to the \$1,000)	Average salary	For year ended March 31, 2000	
			Atlantic	Quebec
1	\$250,000	\$250,000	\$250,000	\$250,000
1	\$218,000	\$218,000	\$218,000	\$218,000
1	\$199,000	\$199,000	\$199,000	\$199,000
1	\$152,000	\$152,000	\$152,000	\$152,000
1	\$141,300	\$141,300	\$141,300	\$141,300
1	\$9,229	\$9,229	\$9,229	\$9,229

For year ended March 31, 2000

If all Canadians were as thoroughly governed as reserve Indians, we would be blessed with 295,000 politicians, and be paying them about \$10 billion per year, plus travel. ■

THE TAXPAYER

\$9,229 per year (\$12,920 taxed equivalent), in Alberta the average is a tax free \$40,424 per year (\$56,593 taxed equivalent), and in Saskatchewan the average is \$31,840 (\$44,576).

Are these jobs worth the money? In practical terms, most Chief and council jobs are akin to being the Mayor and council of a small to medium sized town, most of which only make a few thousand dollars a year. A city councillor in Regina makes \$17,000, but if Regina citizens were as "represented" as Indian band members, Regina would be home to about 1,200 politicians, costing over \$38 million.

Some native leaders are making superstar salaries. The top salary in BC is \$250,000 a year. In the Atlantic region a chief is making \$218,000, in the NWT \$199,000, and in Saskatchewan the best-paid chief pulls down \$152,000. In comparison, Prime Minister Chretien makes \$144,000 per year.

If you find this alarming, consider that these figures are conservative. The *Access to Information* request only covered salaries that were paid out of public money transferred from the federal govern-

ment to band governments. Many Indian politicians receive extra money from band resources, like oil and gas revenues and gambling.

Take the example of Chief Allison Bernard of the Eskasoni reserve on Cape Breton. The Halifax Chronicle-Herald/Mail Star reports that his basic honorarium was increased by 6.4% to \$140,448 a year. But he also earned \$77,000 from the band council from tobacco sales, he received two more cheques of \$22,500 each, plus \$59,000 from the Eskasoni Gaming Commission, plus automobile and other travel expenses. So while his "official" salary, that would be noted in answering this *Access to Information* request, was about \$140,000 a year, Chief Bernard actually hauled in at least \$416,500 over a 14-month period, most of it tax-free.

Clearly, Indian bands are run by a disproportionate number of politicians who consume a disproportionate amount of public resources to the detriment of our native citizens and taxpayers in general. The problems of Canada's Indian people begin with three words: too many politicians. ■

First Nations Elected Officials' Salaries, Honoraria and Travel Expenses for Year Ended March 31, 2000

Region	Number of Elected officials	Salary and Honouraria ranges (rounded to the nearest \$1000)	Total Salary, & honoraria	Average Salary and Honourarium per elected official	Total Actual Travel Expenses	Average Travel Expenses per Elected official
Atlantic	213	\$3,000 to \$218,000	\$7,013,440	\$32,927	\$910,505	\$4,275
Quebec	209,209	2,000 to 115,000	5,595,479	26,773	1,391,352	6,657
Ontario	830	0 to 90,000	15,903,320	19,161	4,755,766	5,730
Manitoba	417	0 to 129,000	12,853,777	30,824	5,448,914	13,067
Sask	551	0 to 152,000	17,543,836	31,840	7,557,729	13,716
Alberta	313	0 to 75,000	12,652,670	40,424	4,695,910	15,003
BC	996	0 to 250,000	16,798,188	16,866	4,144,062	4,161
Yukon	61	1,000 to 79,000	951,285	15,595	109,084	1,788
NWT	219	0 to 199,000	2,021,222	9,229	231,573	1,057
Total	3800		\$91,333,217		\$29,244,895	

Source: Department of Indian Affairs -- 1999 to 2000 Schedules of Salaries, Honoraria and Travel Expenses provided by First Nations. Only salaries, honoraria and travel expenses paid out to Chiefs and Councillors by First Nations are included in this report. Self governing First Nations are not required to submit schedule of salaries, honorarium and expenses to the Department. Some salaries, honoraria and travel expenses may be funded in part by First Nations own-source revenues. These additional salaries are not included in these numbers.

A word from the BC Director to CTF-BC supporters

The Fight Continues

As you are aware, a new government now exists in Victoria and they have made many promises. Many of those promises concern issues that you as a supporter of the Canadian Taxpayers Federation have asked your Federation's directors to push since the BC division was first opened in late 1992.

You should know that unlike other provinces and at the federal level, where CTF directors regularly communicated your concerns to both sides of the aisle, the CTF was never welcome nor did we ever meet with any NDP MLAs or cabinet ministers over the past seven years.

That happened because the Federation was always blunt in its criticism and advocated publicly for our supporters regardless of whether that cost us access to the corridors of power. We also committed to make government accountable wherever possible. That is why the Federation was involved in two recall campaigns in 1997 where my predecessor Troy Lanigan, northern citizens, and you – through your generous donations to the CTF – all worked our guts out to make government accountable.

At the end of the day, we believed that if the public was convinced on an issue, that the politicians would eventually follow. And even in BC under the NDP – the politicians had to shift (a little) from their early 1990s actions. Later in the decade, a recall and initiative law, balanced budget legislation, and tax relief – weak as they were under the NDP - all took place because your CTF helped push those issues into the limelight and kept the spotlight on them.

Now that there is a new government in



Mark Milke
BC Provincial Director

Victoria, the CTF wants to see *your* priorities come to fruition: tax relief, effective initiative and recall legislation, competition in auto insurance, privatization, smaller government, an experiment in voting reform, and most of all – political accountability. The CTF looks forward to working with the new MLAs where possible, but fighting for your well-being and pushing for change regardless of the position of the government on any particular day.

The new government has an unprecedented majority. If they use their power wisely and prudently, they may well be able to enact changes that expand your economic freedom. Hopefully, they will make it easier for you to raise your kids, to spoil your grandchildren, and allow opportunity and choices to flourish once again in British Columbia.

But there is not much of an Opposition in the Legislature. And the Opposition members are just as likely to argue for more spending, not less; for taxes to remain high and not to be reduced, and for government to run all sorts of things it has no business being involved in. And of course, there are a thousand and one interest groups that all want government to spend more on *them*. They already have their hand out and will protest and wail that the world will end if

BRITISH COLUMBIA

your tax dollars are not spent on *their* cause.

So the CTF needs your continued support -- now more than ever -- to battle for your causes. It's a David and Goliath fight but that's where the CTF has always excelled.

If you're not already on our monthly *Tax Action* list -- sign up now. E-mail us at taxpayer@powersurfr.com or phone 1-800-667-7933 in Regina. You will get updates that will keep you informed and alert you when you need to contact your politician on an issue. And do contact your politician. You're not powerless -- far from it. The new crop of politicians need to hear from the usually silent majority, otherwise all they will hear is the yelps from the tax-and-spend crowd who believe that every private problem has a government, tax-funded solution.

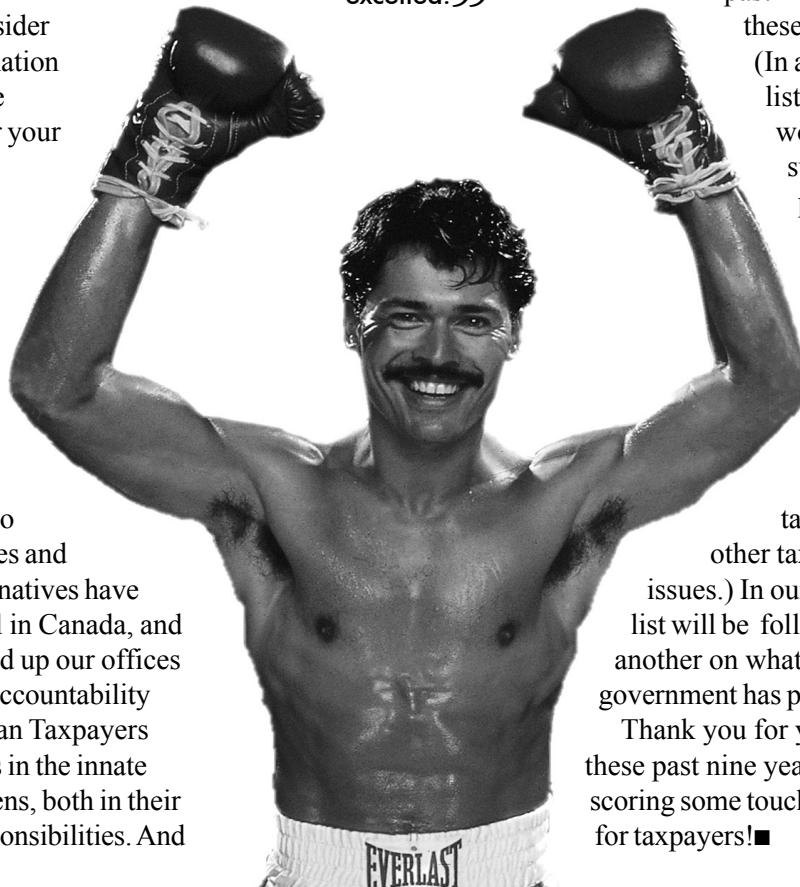
Also, when you renew your support of the Federation whether by mail or when you talk with your local membership representative, consider adding an extra donation this year to help the Federation fight for your priorities.

The CTF will work on all the issues already listed above, and more: We also want to hire someone full-time to oversee native issues and treaties. Individual natives have long had a raw deal in Canada, and natives have phoned up our offices asking for help on accountability issues. The Canadian Taxpayers Federation believes in the innate equality of all citizens, both in their rights and their responsibilities. And

with many leaders funded from the taxpayer purse, who will argue for the supremacy of individual rights? Who will press ahead for accountable government on the reserves and for private property for natives -- that indispensable asset that propels people the world over into prosperity? Who will build bridges between natives and non-natives who believe in these basic rights? It won't be the established interests who, despite being well-meaning, seem to only come up with ideas that divide Canadians instead of principles that unite them.

But your Federation will fight for that priority -- one you've identified in our annual surveys and in conversations with membership representatives -- as well as your other top concerns.

“So the CTF needs your continued support - now more than ever -- to battle for your causes. It's a David and Goliath fight but that's where the CTF has always excelled.”



One last note. On the next page, there is a partial list of some of the CTF's actions in BC on your behalf over the past nine years on these specific issues. (In addition to that list, we have also worked on items such as MLA pensions, the gag law, clean-office policy, no-fault insurance, photo radar, the Nisga'a Treaty, the TransLink auto tax, and many other tax and spend

issues.) In our next issue, this list will be followed by another on what the new government has promised.

Thank you for your support these past nine years -- let's start scoring some touchdown victories for taxpayers! ■

Past CTF Actions

Citizen Initiative and Recall:

- Presentation of CTF study to the Select Standing Committee on Parliamentary Reform in December 1992 and February 1993 to recommend content of proposed Citizen Recall and Initiative Act. The CTF, with the help of board member Mel Smith, also presented a detailed critique of the Committee's eventual report.
- February 1994: Campaign in support of citizens' initiative launched.
- April 1994: Conference on direct democracy held in Burnaby.
- June 1994: 80,000 signatures tabled in legislature demanding workable recall and initiative law
- February 1995: Weak *Recall and Initiative Act* passed by BC legislature.
- 1997: CTF supports recall efforts in Prince George and Skeena by providing advice and creating a manual on how to use the recall law.
- March 1998: CTF defends recall in court against attempt by BC Civil Liberties Association to thwart legislation.
- June 1999: Recall challenge by BC Civil Liberties Association dropped.
- September 1999: Direct Democracy in the Town Square, the CTF study on citizen's initiative for municipalities is released.

Balanced Budgets, Taxpayer Protection, Debt Controls / Tax, Spending & Debt Studies:

- November 1992: BC debt report released.
- May 1993: Severely Indebted Governments: A study of provincial, federal and international debts released.
- January 1994: TAXCAP campaign launched to force legislated limits on government to tax, borrow, and spend.
- February 1994: British Columbia debt

clock unveiled and toured throughout B.C.

- April 1994: New study on BC debt released.
- September 1994: CTF releases list of 46 new government agencies created by Harcourt government.
- January and February 1995: Tax Alert campaign rallies held across British Columbia and then Canada demand end to ever-increasing taxes.
- June 1995: Taxpayers conference held in Burnaby.
- November 1995: Draft balanced budget taxpayer protection legislation released by CTF.
- April 1996: CTF releases study on BC corporate welfare and recommends legislation to ban the practice.
- July 1998: CTF holds World's Taxpayers Conference in B.C. with 19 taxpayer associations from five continents represented.
- June 2000: \$377 Million in Lost Opportunities: The CTF's new study on BC corporate welfare is released with accompanying draft legislation on how to ban the practice in law.
- June 2000: CTF-BC releases study of balanced budget legislation across Canada. The BC government introduces weak balanced budget legislation one month later. The CTF recommends improvements to the law.
- December 2000: CTF-BC releases in-depth study of BC Ferries and Washington State Ferries which reveals Washington State Ferries is much more accountable to taxpayers.

Voting Reform:

- October 1997: Electoral Change Coalition of British Columbia (ECCO-BC) launched. CTF-BC director Troy Lanigan chairs diverse group to push for change to how we elect MLAs in British Columbia.
- September 1998: ECCO-BC holds conference in Burnaby to press forward with electoral reform. ■



The CTF opposed government efforts to censor and gag citizens during provincial elections.

BRITISH COLUMBIA

Accountability Guarantee

On April 30, CTF-BC director Mark Milke called on Liberal leader Gordon Campbell to sign an Accountability Guarantee. The BC director noted that while the Federation was pleased to see tax relief, voting reform, and a pledge to make BC's recall and referendum law workable in the Liberal platform, political talk is cheap in BC. The CTF called on the Liberal leader to sign the Accountability Guarantee – based on Mr. Campbell's own words – and deliver on those promises or resign.

Radio Ads

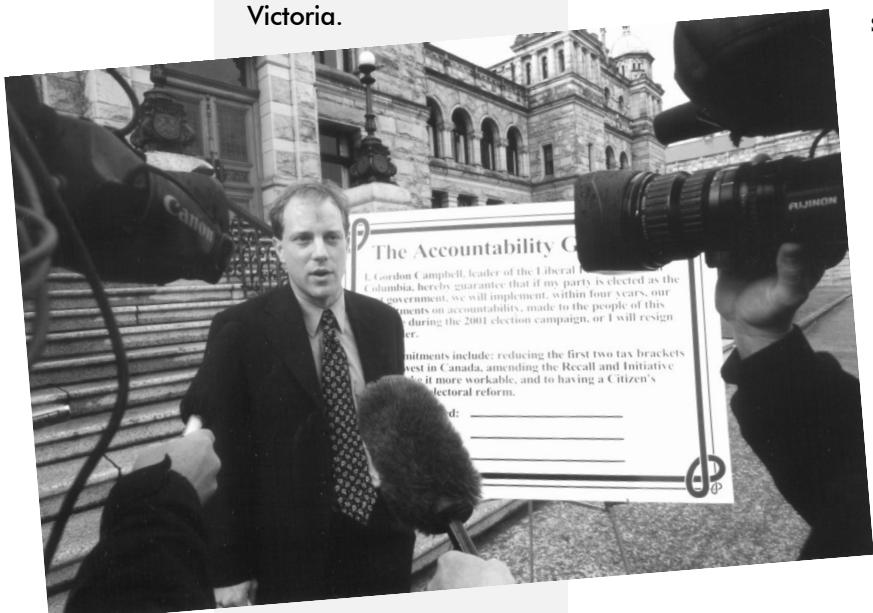
The CTF also ran ads in Vancouver and Kelowna calling on the Liberals to sign the guarantee. Here is an example of the ad that ran:

"At the Canadian Taxpayers Federation – we think it's crucial that politicians keep their promises. That's why we've asked Gordon Campbell to sign a guarantee about his *own* promises – to cut taxes, to make the recall and initiative law workable, and to create a Citizen's Assembly on voting reform. That guarantee – based on his own words – commits Gordon Campbell to fulfil his promises during the next four years or resign."

To help ensure accountable government – tell your Liberal candidate that Gordon Campbell must sign an

The Canadian Taxpayers Federation inserts itself into the BC election campaign!

Mark Milke challenged Liberal Leader Gordon Campbell to sign his own accountability pledge at an April 30th news conference in Victoria.



Accountability Guarantee. Paid for by the Canadian Taxpayers Federation at taxpayer.com."

The Liberal leader never signed the Guarantee, but the CTF is confident that our actions ratcheted up the pressure on these issues and made it impossible for any government not to follow through.

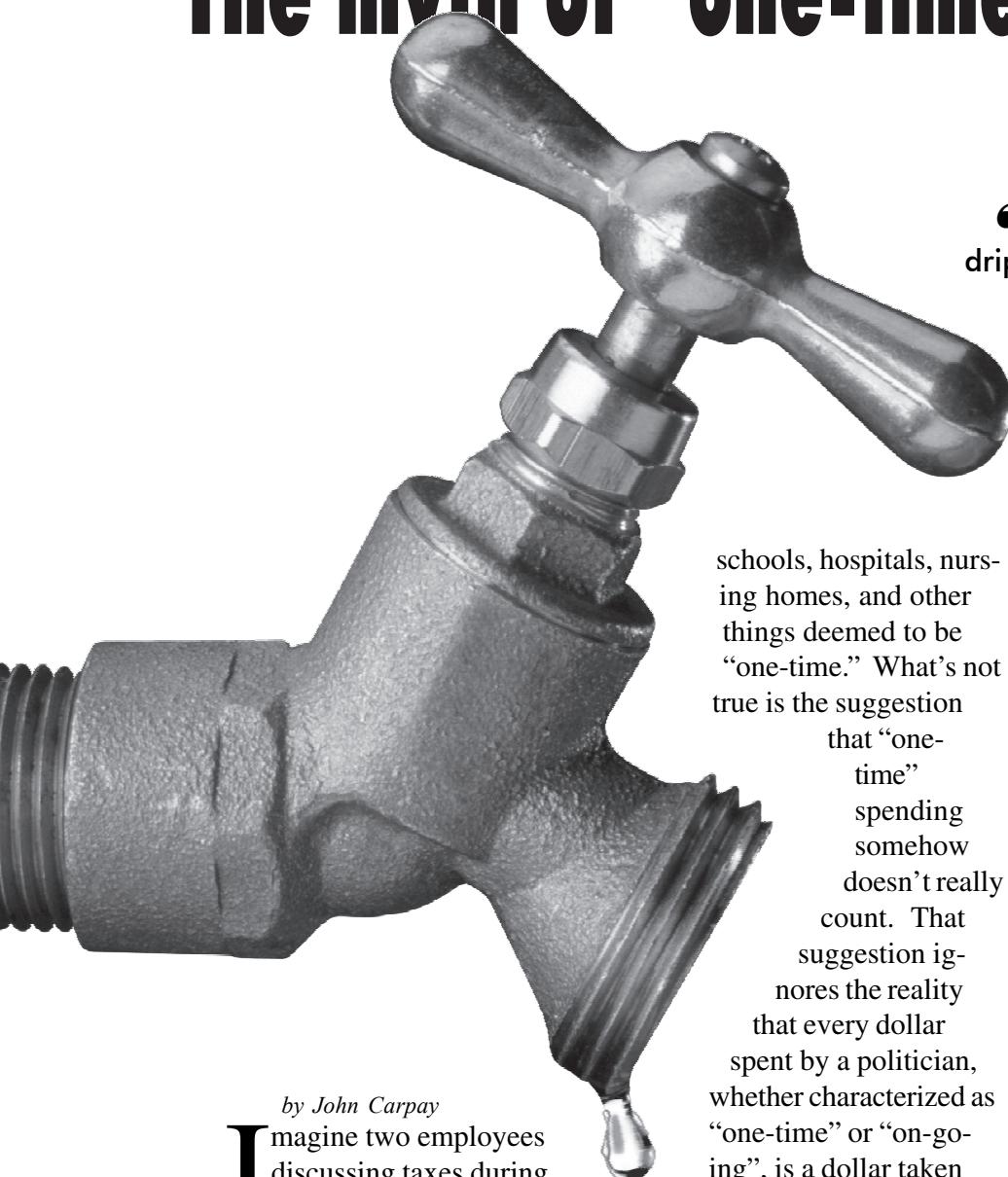
Tracking the Parties' Spending Promises

Throughout the campaign, the Canadian Taxpayers Federation tracked the spending announcements of the governing NDP and the promises by the opposition Liberals. On March 15, the NDP's spending/promises were at \$2 billion while the Liberals were at \$136 million. By March 30, with the release of the provincial budget, the NDP hit \$3.8 billion in additional spending and/or promises while the Liberals were clocked in at \$1.5 billion. By May 14th, the NDP hit \$7.1 billion and the Liberals hit \$3.9 billion.

Coverage of the CTF's calculations throughout the campaign included BCTV, Global, CHEK, and VTV, as well as radio stations CKNW in Vancouver and CHNL in Kamloops.

The *Vancouver Province* also noted the CTF's tracking of spending as did local papers across the province. ■

The myth of "one-time" spending



by John Carpay
Imagine two employees discussing taxes during their lunch break. The first says, "I'm really annoyed that \$500 in taxes was taken off my pay cheque." The second replies, "Yes, but you have to remember that \$100 of that goes to infrastructure and other 'one-time' spending, so actually you pay only \$400 in taxes."

It's true that a portion of Albertans' tax dollars are spent to build new roads, bridges,

schools, hospitals, nursing homes, and other things deemed to be "one-time." What's not true is the suggestion that "one-time" spending somehow doesn't really count. That suggestion ignores the reality that every dollar spent by a politician, whether characterized as "one-time" or "on-going", is a dollar taken from a taxpayer. The taxpayer loses his choice to save, spend or invest his own hard-earned money, or give it to charity.

What makes spending on infrastructure "one-time", compared to "on-going" health and education spending? In the case of a new road or bridge, you are left with a permanent benefit. But a life-saving surgery, or the

“Once tax dollars start dripping out of the treasury, it's hard to stop the leak.”

knowledge imparted through a school, also leave a permanent benefit. The distinction is arbitrary. The dollar spent to build a new nursing home is taken from a taxpayer, just like the dollar spent to run our courts, prisons, and social services.

The real question which needs to be addressed is: "What percentage of spending should go to health, education, infrastructure, and other categories?" Arbitrarily calling some kinds of spending "one-time" does not help answer the real question.

By way of analogy, someone earning \$2,500 per month (after taxes) can choose what portion will go to savings, investments, charities, clothing, groceries, rent or mortgage payments, entertainment and the like. Now imagine the following "one-time" spending: a new fridge in 2001, new living room furniture in 2002, a tenth wedding anniversary European vacation in 2003, and new carpets in 2004. These items truly are "one-time"

ALBERTA

spending, but so what? The only real question is: what percentage of the \$2,500 should go to each category? Calling some of your spending “one-time” may be true, but it’s also irrelevant.

Alberta Finance Minister Pat Nelson claims that \$3.2 billion of the \$20.8 billion is “one-time” spending on infrastructure, energy rebates and emergency farm aid.

How many times have Albertans heard of “one-time” spending? If any spending is ever “one-time,” why is it 47% higher than seven years ago? (That’s 47% higher *after adjusting for inflation and population growth.*)

In 1986-87 Don Getty’s government spent \$13.4 billion on programs, when Alberta’s population was \$2.4 million and the dollar was worth 54% more than in

“Every dollar spent by a politician, whether characterized as “one-time” or “on-going”, is a dollar taken from a taxpayer. The taxpayer loses his choice to save, spend or invest his own hard-earned money, or give it to charity.”

2001. Does it make any difference today what portion of that \$13.4 billion in spending was “one-time” and what portion was “on-going”? Of

course not. In the same way, in the future, when people look back at the 2001-02 budget, nobody will care what portion of it may have once been characterized as “one-time” spending.

Albertans would be better off if “one-time spending” ceased to be part of our political vocabulary. ■

Alberta Provincial Director John Carpay (Left) keeping watch on the provincial treasury. Photo by Tom Braid courtesy of Edmonton Sun



"Getty-esque" spending is Back

by John Carpay

Alberta's new Finance Minister Pat Nelson will spend \$20.8 billion on programs in 2001-02.

As shown by the chart on the following page, this amounts to \$6,850 per Albertan, the highest spending level in 9 years. Adjusted for inflation and population growth, spending is in the same range as under Don Getty ten years ago.

"But Getty ran a deficit," said Premier Klein in response to taxpayer complaints, as if that justifies big government.

But "no deficit" is no excuse, because big government with a balanced budget is still big government. Every dollar spent by a politician is a dollar taken away from a taxpayer. If you want to call yourself conservative, then running the highest-spending provincial government in Canada should be cause for shame, not pride.

The progress made towards smaller government in the early 1990s has been all but destroyed. Spending for 2001-02, *after inflation and population growth*, is 34% higher than in 1996-97. Alberta now spends far more per person than the most ideological socialist government in B.C. ever did.

This large spending increase flies in the face of what Albertans told Premier Klein in surveys in 1998 and 2000: "pay off the debt, and cut taxes."

Albertans ranked "more spending" a distant third, but it appears that Premier Klein has read the results upside-down.

If per capita program spending in this budget had been at the 1998-99 levels, an additional \$4.5 billion would have been available for tax cuts, debt repayment, or a combination of both. Unfortunately for taxpayers, spending went up . . . again.

How much interest will Albertans pay on that extra \$4.5 billion of debt in the next 12 months?

Ralph Klein summed it up well in the early 1990s when he said "this government has a spending problem." Unfortunately, his statement remains true today.

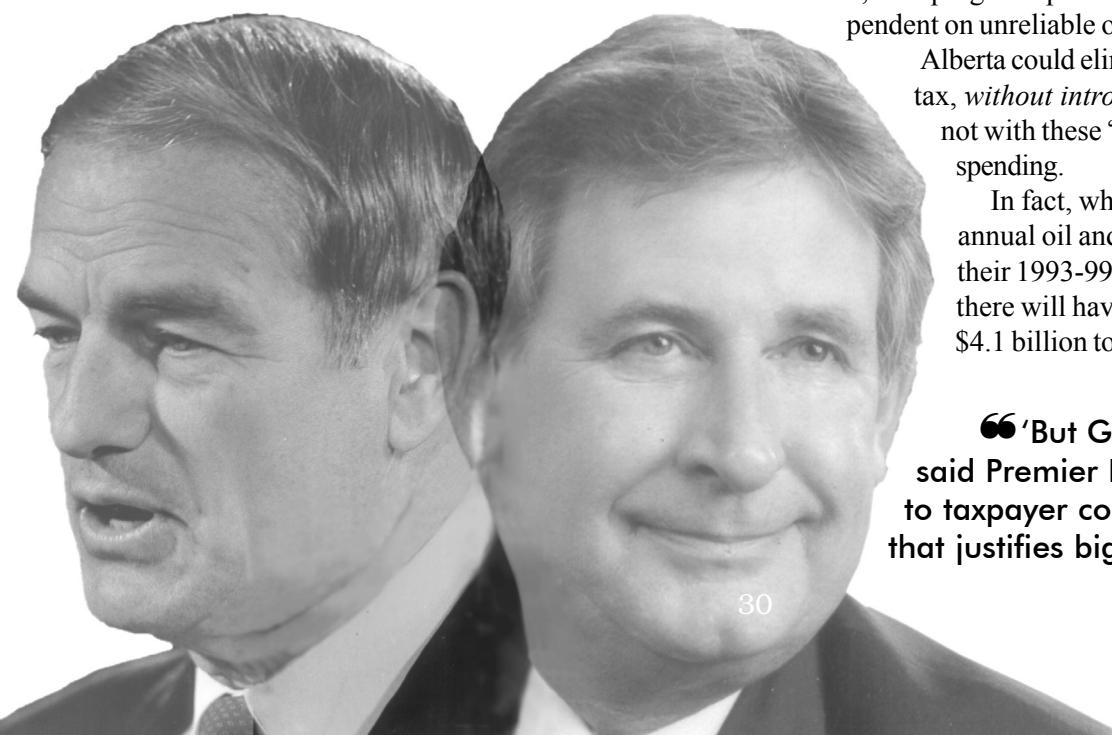
What is this government's vision? A free and prosperous province, where Albertans pay no sales tax *and* no income tax? Taxpayers keeping more of their own money to spend on their families, to contribute to charities, and to invest in their communities? Total debt freedom by the end of 2002?

If that is Ralph Klein's vision, this budget takes Alberta away from it. Instead, it maintains Alberta's status as the per capita highest-spending province in Canada, with program spending that is partially dependent on unreliable oil and gas revenues.

Alberta could eliminate personal income tax, *without introducing a sales tax*, but not with these "Getty-esque" levels of spending.

In fact, when the government's annual oil and gas revenues return to their 1993-99 average of \$3.4 billion, there will have to be spending cuts of \$4.1 billion to avoid a deficit.■

“‘But Getty ran a deficit,’ said Premier Klein in response to taxpayer complaints, as if that justifies big government.”



ALBERTA

Per Capita Program Spending

The following chart compares program spending under Premiers Don Getty and Ralph Klein. All amounts adjusted for inflation and population growth.

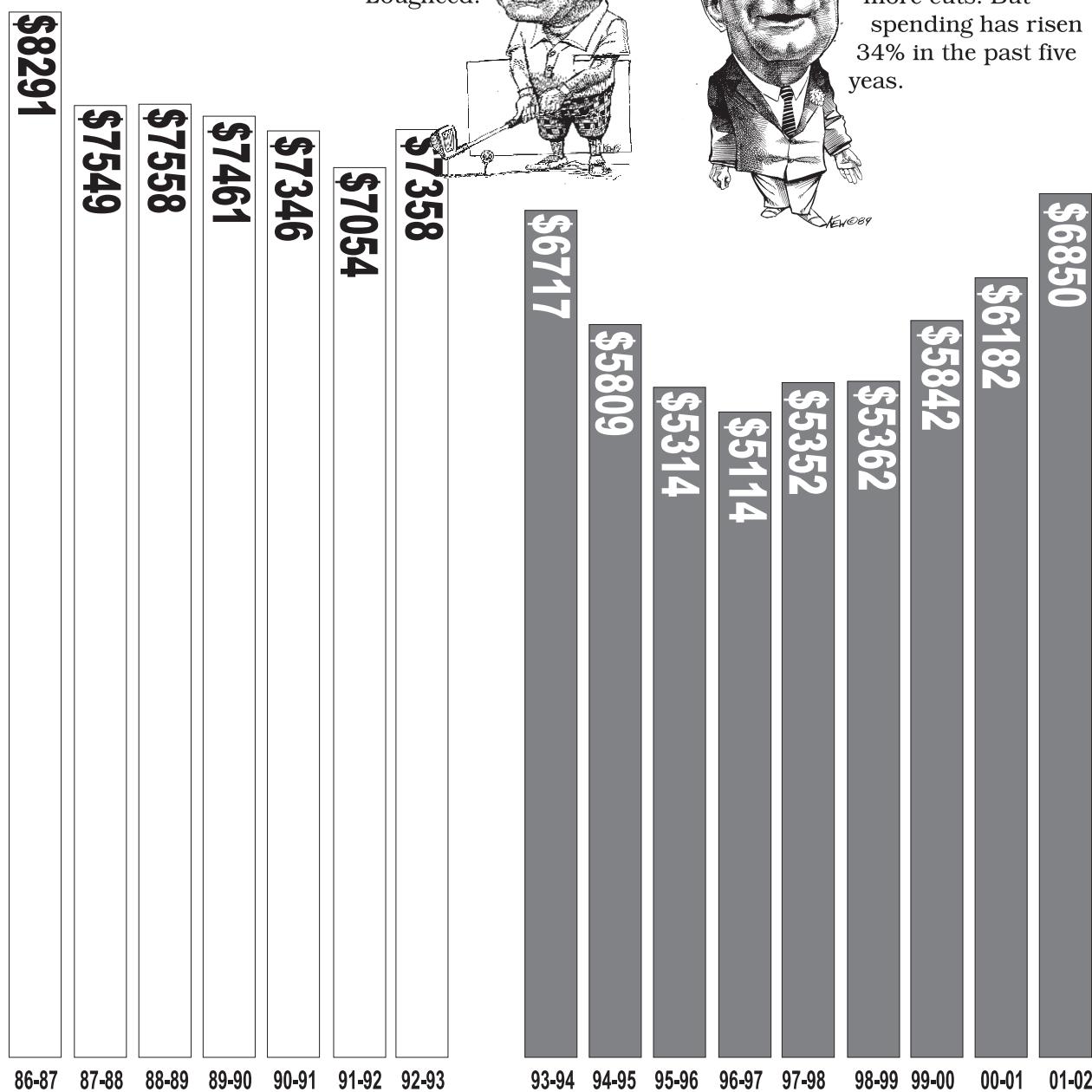
From Getty to Klein

Don Getty was Alberta's premier from 1985 To 1992. His government increased spending dramatically from what it had been under Premier Peter Lougheed.



From Klein back to Getty?

Premier Ralph Klein took office in December 1992. His government's first Budget in 1993-94 cut spending by 9% followed by more cuts. But spending has risen 34% in the past five years.



Cut in School Taxes Can't Wait

by Richard Truscott

Before last spring's provincial budget the Canadian Taxpayers Federation presented a petition with the names of 12,500 taxpayers to Premier Lorne Calvert demanding a decrease in school property taxes. Unfortunately, the collective voice of taxpayers fell on deaf ears, but we must not let up.

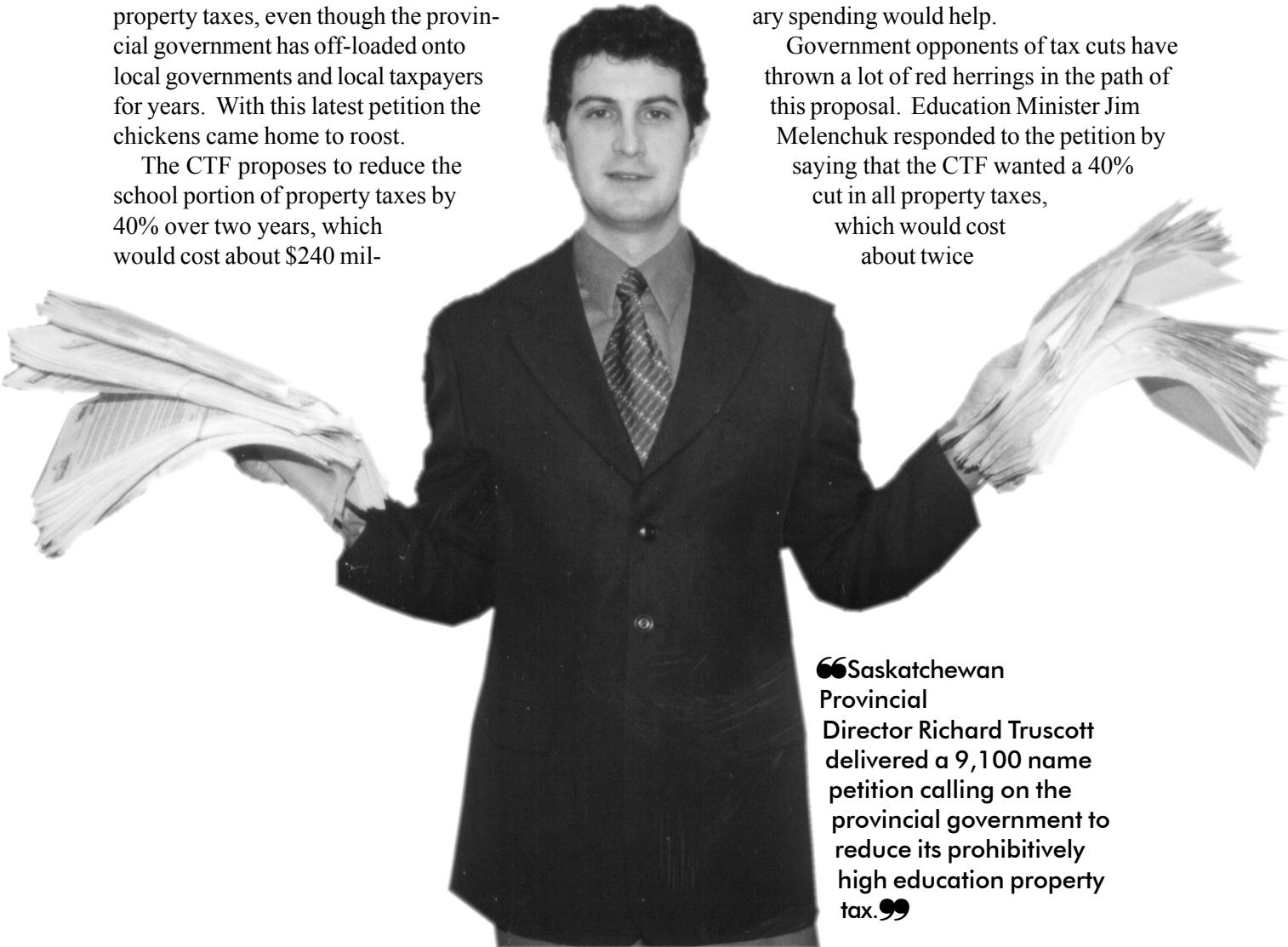
Rising property and school taxes are creating real hardship for many people in our province. School taxes have increased by more than 70% across the province since 1985, and have doubled in rural areas while farm income has plummeted. Local governments often get the blame for high property taxes, even though the provincial government has off-loaded onto local governments and local taxpayers for years. With this latest petition the chickens came home to roost.

The CTF proposes to reduce the school portion of property taxes by 40% over two years, which would cost about \$240 mil-

lion a year when fully implemented. To fund this cut, we have recommended opening up the Crowns to new forms of ownership, including private sector partners and shareholders, and using the proceeds to reduce the debt. The money that would have gone to interest payments would instead go to the schools and support the school tax reduction. In other words, sell some of the Crowns to save the schools.

That won't pay for the whole tax reduction, so we also need to prioritize government spending to make up the difference. Overall government spending has climbed by about \$1 billion from three years ago, and even small reductions in discretionary spending would help.

Government opponents of tax cuts have thrown a lot of red herrings in the path of this proposal. Education Minister Jim Melenchuk responded to the petition by saying that the CTF wanted a 40% cut in all property taxes, which would cost about twice



● Saskatchewan
Provincial
Director Richard Truscott
delivered a 9,100 name
petition calling on the
provincial government to
reduce its prohibitively
high education property
tax. ●

SASKATCHEWAN

as much. But that is not what we proposed.

Finance Minister Eric Cline said selling the crowns would only result in \$180 million in interest savings, not enough to pay for the tax cuts. No doubt the government will also have to find other savings to make these cuts, as already pointed out. But since the province owns about \$7 billion in crown corporation assets, perhaps Cline is being too conservative in his estimation of what could be gained if some of the Crowns were sold. New shareholders and private partners will also pay all forms of taxes which the government Crowns currently don't do.

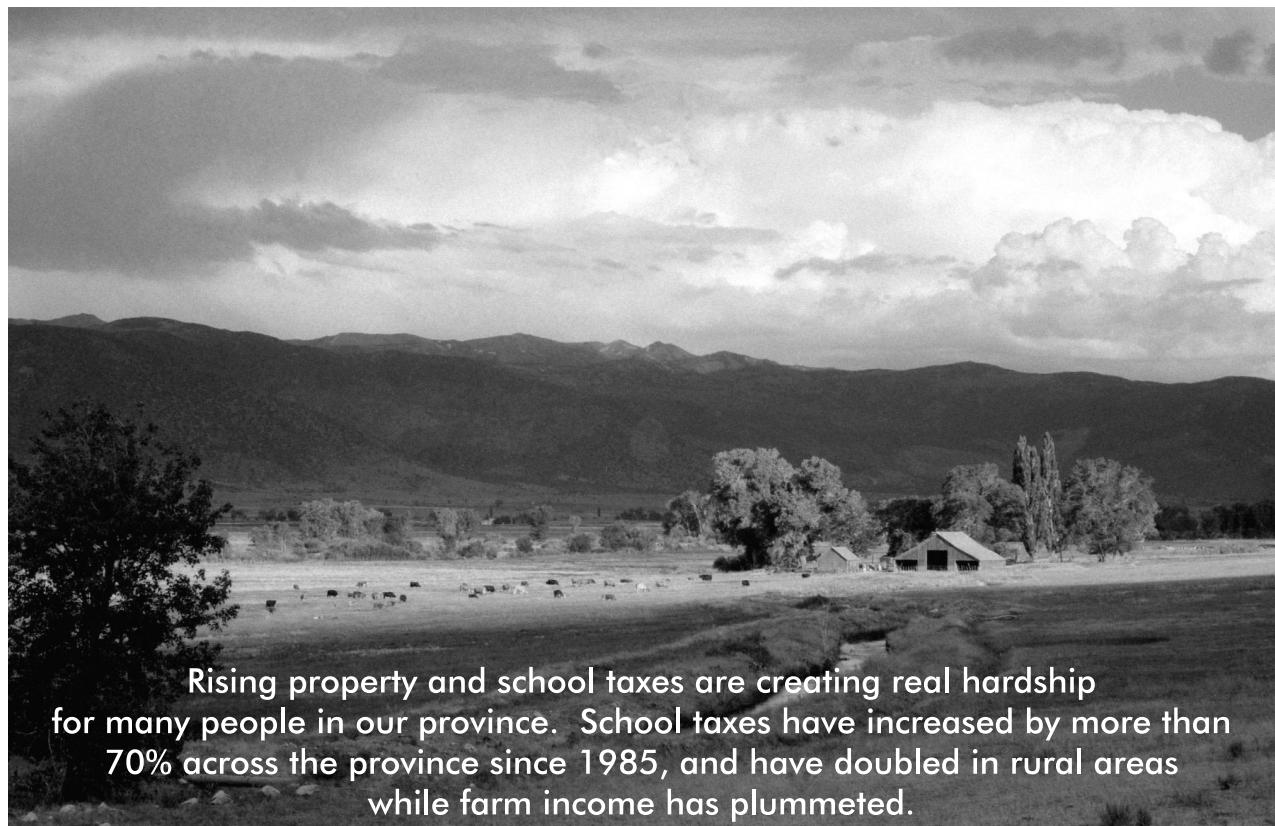
So are all the red herrings in the net, or did some get away? Property taxes are the most complicated and confusing taxes that we have, and it is inevitable that proposals to change them will be misrepresented or misunderstood. But what needs to be understood very clearly by this government is the plight of many taxpayers, particularly in rural areas.

If we want to keep farmers on the land, if we

want to cut the fixed costs for struggling entrepreneurs and encourage wealth creation and job growth, then we need to lower school taxes. At the same time, if we want to build the future of Saskatchewan, we need to make sure our schools are adequately funded – not strangled by tax revolts fuelled by desperation, not starved by bad spending priorities, and not left to wither because of an outdated attachment to government-owned corporations. It's time for choices to be made.

For months the CTF has been calling on the province to launch a comprehensive review of property taxes similar to the recent examination of the province's income tax system. We need to look at the way property and school taxes are calculated to make the system fairer and more sensitive to income. But the province has stalled for so long that taxpayers can't wait. The future of many Saskatchewan people depends on meaningful and immediate action on school taxes by our provincial government – now! Next year may be too late. ■

“Overall government spending has climbed by about \$1 billion from three years ago, and even small reductions in discretionary spending would help.”



Rising property and school taxes are creating real hardship for many people in our province. School taxes have increased by more than 70% across the province since 1985, and have doubled in rural areas while farm income has plummeted.

Unfocussed Spending Spoils Provincial Budget

by Richard Truscott

The spin on the latest Saskatchewan budget is that increased spending is focused on the vital needs of the province. But the numbers tell a different story. A look at the budget beyond the soundbites reveals government spending that is unfocused, undisciplined, and unsupportable in the long term.

Spending on health, highways, and education is rising by a big 8% this year. But while increased strategic spending in these important areas may be necessary, can we say the same about the 6% spending increase in other government departments? 13 of 15 major departments are seeing spending increases this year.

This really adds up over two or three budgets. Between 1998-99 and 2001-02, budgeted spending

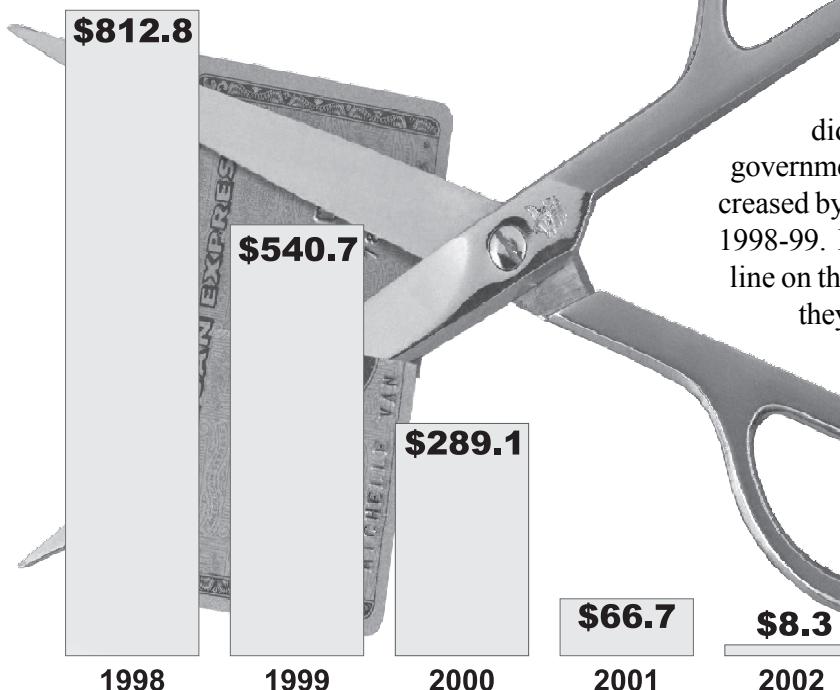
on health, education, and highways has risen by \$627 million or 25%. But outside of these vital areas spending has risen by \$526 million or 26%. If you factor out agriculture and post-secondary education spending as well, other "non-vital" spending still increased by \$323 million or 24% from three years earlier. Add it all back together and total operating spending for 2001-02 will be more than \$1.1 billion higher or 25% higher than it was in the 1998-99 budget. Are we getting 25% more for our money?

So while our provincial government defends spending increases and fends off calls for more tax cuts by claiming that it is focusing on health, education, highways, and agriculture, the numbers suggest a different reality. It is not focused strategic spending, but unfocused and undisciplined spending that is draining resources from important programs, hampering debt reduction, and slowing tax relief.

Many people had hoped that this budget would accelerate the tax cuts announced last year, but beyond a little tinkering, that didn't happen. As shown on the next page, government spending in non-vital areas has increased by hundreds of millions of dollars since 1998-99. If the government had even just held the line on this spending over the last couple of years, they could have eliminated the small business tax (\$70 million), cut school taxes in half (\$240 million), and improved the income tax relief announced in last year's budget with the rest. This government could be doing much more on tax relief if our money was better managed. Simply put, controlling

Payments on provincial debt

In millions of dollars - by year



SASKATCHEWAN

spending now is the best way to protect taxpayers in the future.

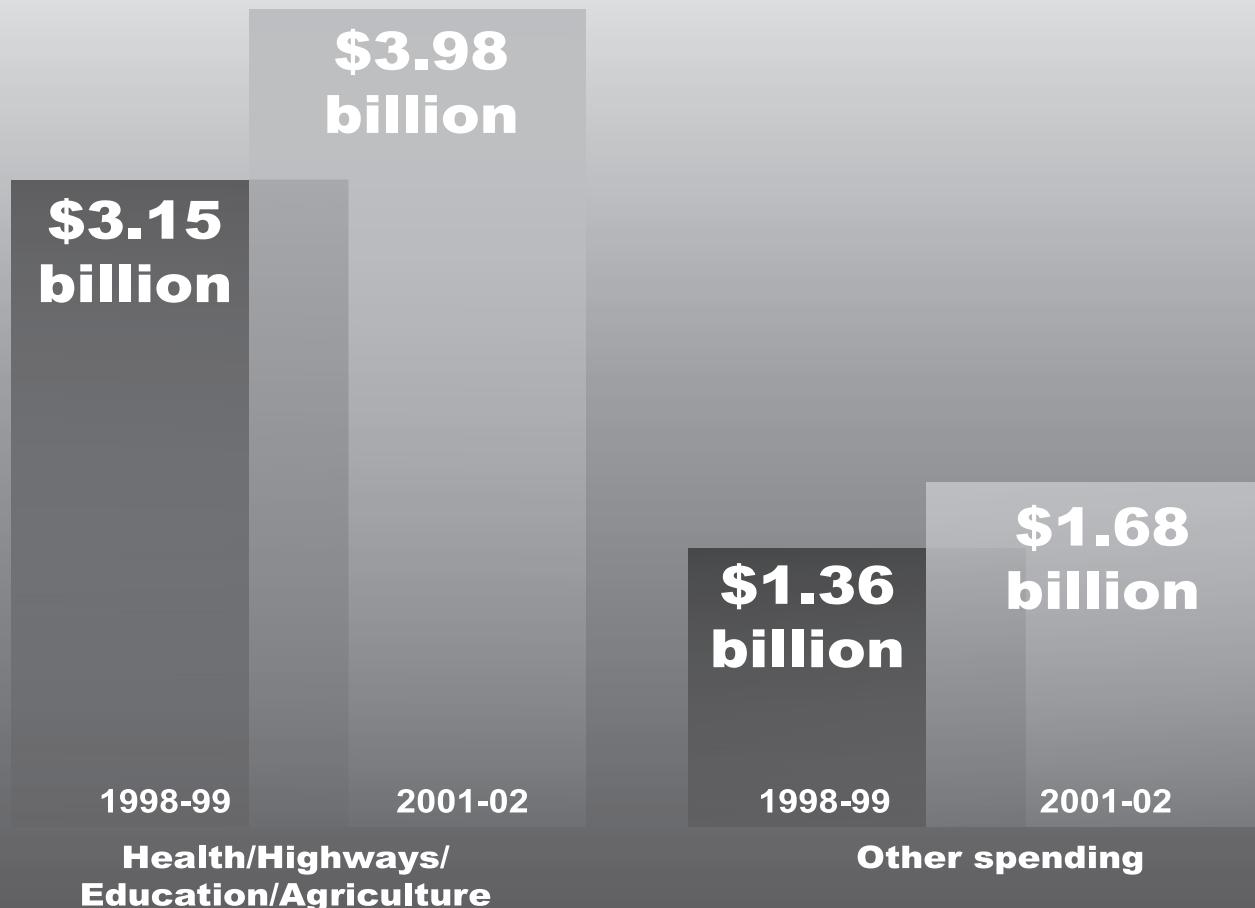
But is the government courting real fiscal trouble with its unfocused spending? Only time will tell, but the current spending spree is being paid for with unreliable resource revenue, hand-outs from Ottawa (now over \$1 billion), and by dipping into the Fiscal Stabilization Fund. We can't rely on the first, we can't rely on the second (the feds have been known to chop the provinces off at the knees before), and drawing on the Fiscal Stabilization Fund is just pulling money out of the savings ac-

count. The government is spending like there is no tomorrow, and tomorrow there may be a recession (but let's hope not – knock on wood).

A budget is supposed to clear up some questions, but we have as many questions after this budget as we did before. What are the spending priorities? Where is the new tax relief? How will we pay for this if resource prices tank or a recession deepens our economic problems? If this budget was supposed to be a chance for the new Premier to leave his mark, the only mark for taxpayers is a question mark. ■

Government spending

Government spending is up across the board. The following graph compares actual spending on selected area between 1998-99 and 2001-02.



Budget 2001: A Spending Odyssey



by Victor Vrsnik

The Manitoba provincial budget is a toss up between comedy and tragedy. The tax cuts are a joke and the spending hikes are near tragic.

Not unlike all good dramas, the budget did display some classical features. Finance Minister Greg Selinger took the advice of the ancient Roman Senator Cicero. He balanced the budget and repaid some public debt, "lest Rome (or Manitoba) become bankrupt."

Unlike Cicero, Selinger left unscathed the "arrogance of officialdom." Whilst staring down the barrel of an impeding recession, the Doer government threw caution to the wind and ratcheted up spending to record levels.

The scorched earth strategy to public finances left a pittance for tax relief. For every dollar in tax cuts, spending increased by another six dollars.

The budget is balanced in name only. With spending up by \$359 million compared to only \$59 million in tax cuts, there is no question where the NDP's sympathies lie. Guess again if you thought they were with the Manitoba taxpayer.

Of all the options available to the NDP -- owing to an extra \$389 million cash infusion -- tax relief barely registered. After bitterly complaining for years about dismal minimum wage levels in Manitoba, the NDP were in a position to give all Manitobans -- low income earners included -- a sizable raise with a muscular tax cut. Hopes were dashed.

Selinger had bigger fish to fry. Why give taxes back to the people who earned it when you can beef up bureaucracy and reward your own government? Practically every department will benefit from spending increases over last year.

The largest spending hike is in healthcare. It now gobbles up 38 cents on every dollar. At the rate healthcare spending is growing, it won't be much longer than 15 years before healthcare consumes the whole budget. By then we'll need only two departments. Finance to collect the money and health to spend it.

“The Manitoba provincial budget is a toss up between comedy and tragedy. For every dollar in tax cuts, spending increased by another six dollars.”

MANITOBA

The NDP's 2001 budget seems to have ignored the reality that Manitoba has a relatively small economy and population base from which to collect its taxes. Spending Manitoba to prosperity is no substitute for a Manitoba tax advantage.

If the tax gap with the other provinces held us back, behold the new tax canyon. Manitoba's personal income taxes are so far behind the provinces from Ontario west as to tempt ridicule.

According to the NDP's own

budget document, a Manitoba family of four with a \$40,000 income will pay twice as much income taxes than the same family in Alberta. Our fears of being lapped by Alberta tax cuts have come true.

Never mind Alberta, keeping pace with Saskatchewan's income tax relief package was a reasonable expectation. But there was no spark in the Budget to ignite the NDP to compete with their prairie rivals.

To add insult to injury, the NDP allowed for a few back

door tax grabs. Hydro rates will be under pressure to rise now that the province raised the water power rental fee by \$52 million. And the NDP will continue to collect bracket creep income taxes by failing to adjust the tax brackets and credits to inflation.

Timid on tax cuts and over the top on spending, Budget 2001 makes Manitoba ever more a province dependant on federal transfers and the dim hope that taxpayers and the business community will not leave the province. ■

2001 Manitoba Budget Favours Spending

Spending to Tax Cuts Ratio = 6:1

The CTF estimates that the new expenditure to new tax cuts ratio is **6:1**. According to the provincial government's "summary of 2001 tax measures" and their "operating expenditure estimates," outlined in the 2001 Manitoba Budget, new program expenditures are \$358.6 million versus 58.8 million in tax cuts.

New program expenditures:

■ 2001/02 over 2000/01: **\$358.6 million**

New tax cuts

■ Education Property Tax cut:	\$27.0 million
■ Personal Income tax cut:	18.3 million
■ Capital gains reduction:	10.0 million
■ Corporate Income tax cut:	2.9 million
■ Small business threshold increase:	.4 million
■ Microbrewery mark up reduction:	.2 million
■ Total tax cut measures:	\$58.8 million

**Spending to Tax cuts Ratio:
\$358.6 million : \$58.8 million = 6:1**

Note: According to the Budget's "summary of 2001 tax measures" (p. D4, 2001 Manitoba Budget), the "net change" for the 2001 budget is a **\$4 million** tax increase. This is largely due to the inclusion of the **\$52 million** water power rate increase. The CTF did not include this back door tax hike in its ratio equation. Were it included, the new expenditure to new tax cuts ratio would be **52:1**.



MANITOBA

LEGISLATIVE ASSEMBLY OF MANITOBA Wednesday, April 18, 2001

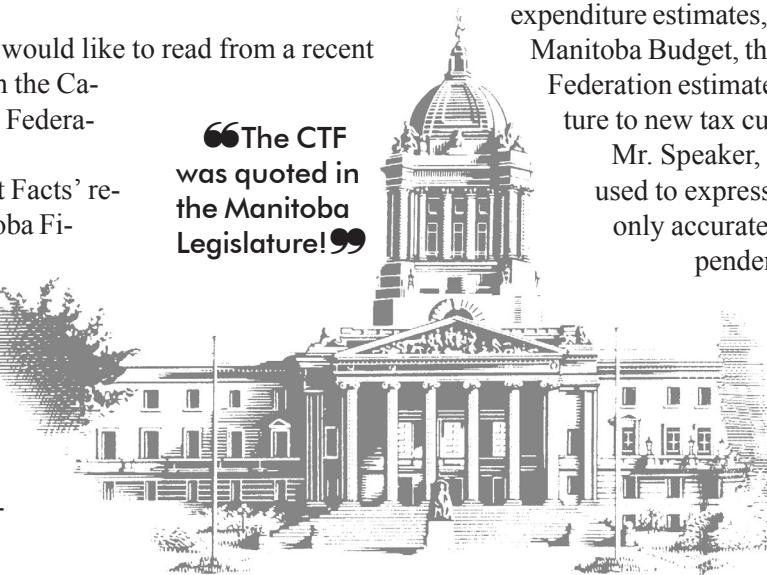
Member Statement: Spending/Tax Cuts Ratio-Budget

MLA. Peter Dyck (Pembina): While my colleagues and I have expressed concern over the amount of new spending in relation to the amount of new tax reductions in the 2001 Budget, the ratio determined to be 6 to 1, members opposite have accused us of miscalculating these numbers and claim that spending only outweighs tax reductions by a ratio of 3 to 1.

Mr. Speaker, I would like to read from a recent news release from the Canadian Taxpayers Federation.

"A recent 'Fast Facts' release from Manitoba Finance is playing fast and loose with the truth by circulating inaccurate information on the ratio of program expenditures to tax

“The CTF was quoted in the Manitoba Legislature!”



cuts outlined in the 2001 Manitoba Budget.

“The government’s 3:1 spending to tax cuts ratio is off by a country mile,’ noted Victor Vrsnik, CTF provincial director. “The Finance Department misrepresents the equation by including tax cuts announced from last year without balancing the equation with new spending increases from last year as well.”

“According to the provincial government’s ‘summary of 2001 tax measures’ and their ‘operating expenditure estimates,’ outlined in the 2001 Manitoba Budget, the Canadian Taxpayers Federation estimates that the new expenditure to new tax cuts ratio is 6:1.”

Mr. Speaker, the numbers we have used to express our concerns are not only accurate but are echoed by independent agencies and independent examinations of this

Government’s 2001 Budget. It appears as though it is the Doer government that has been involved in some very creative mathematics.

CTF quoted on Budget Day

“Victor Vrsnik of the Canadian Taxpayers Federation calls the budget ‘timid’ on tax cuts and ‘over the top’ on spending. He’s pleased the budget is balanced but says spending on health care is out of control.”

- CHUM radio, April 10, 2001

“Victor Vrsnik of the Canadian Taxpayers Federation said a family of four with an income

of \$40,000 will pay twice as much as a family in Alberta. ‘Alberta has lapped us in tax relief,’ he said.”

- *Winnipeg Sun*, April 11, 2001

“At the current rate of increase, the health budget will consume the entire provincial budget in a generation. Then we’ll have two ministries, one finance and one health care - one to collect

the money and one to spend it, he said.”

- Victor Vrsnik, *Canadian Press* wire story, April 11, 2001

Victor Vrsnik of the Canadian Taxpayers Federation called spending increases in the budget “over the top.” Personal income tax in Manitoba is now double what is in Alberta for the same families,” he said.

- *Winnipeg Free Press*, April 11, 2001

Coping with the Edifice Complex

by Victor Vrsnik

Before you can even say “boondoggle” the ink will have dried on the subsidy package for the new arena owners. The deal was pushed through by a City Council vote on May 23rd. What’s the rush?

If a new downtown arena is as glorious a sight as its promoters say, why not take the time to bring citizens up to speed on the wonders of their cash contribution? A two-week courtship hardly qualifies as reasoned public debate.

Time is of the essence. So it's time to drop the gloves. Let's review some of stellar arguments advanced in favor of the True North arena.

1. *It's a private sector led initiative.* The arena backers and members

“The edifice complex disorder has been around for centuries. Manitoba politicians have all the symptoms.”

of the chattering classes make mischief by repeating the already-tiresome myth that the public sector is picking up \$38 million or 30 percent of the tab. It ain't so.

The full cost of the subsidy and concession package is \$47 million in the first year and \$250 million after 25 years. Manitobans will continue to subsidize the arena's operating costs through a myriad of tax breaks, credits and VLT freebies.

2. *Nothing is lost by striking a sweetheart property tax break with the city.* Instead of shelling out the full \$6 million in property taxes assessed against the arena, the new owners make off like bandits paying only \$400,000 per year.

Struggling homeowners can expect to subsidize a building that's valued at 1000 times more than an average house but pays only 160 times more in property taxes. The double standard is not likely to win over business owners, particularly competitors in the entertainment industry, saddled with a business tax and entertainment tax that True North man-

aged to negotiate off their books.

3. *We need a new arena downtown because the existing one is too low class or not good enough to house second tier hockey players and tractor pull events.* That one speaks for itself.

4. *It's a “no brainer” to situate the new arena on the existing Eaton's site.* Of all the empty wind-swept lots in Winnipeg, two of the city's larger buildings (the Winnipeg Arena and the Eaton's building) have to be demolished before a new one can rise. I call that “no brains”.

5. *Public opinion is lined up in their favor of the new arena.* The only opinion polls that I'm aware of were taken by the *Winnipeg Sun's* “talkback line.” Of the 1,774 calls registered in two separate polls since the deal was unveiled, an average 84% of callers disagreed that a new arena was good for Winnipeg or the downtown.

Before taxpayer dollars are sacrificed on the altar of this new entertainment complex, government should put in place a public review to gauge voter approval. The last time I checked no politician campaigned on taxpayer handouts for new arena owners. ■

Taxpayer subsidies for new arena owners:

In million	Federal	Province	City	1 year total	25 year total
Capital subsidy	\$12	\$10	\$10	\$32	\$32
Sales tax rebate		3		3	3
VLT concessions		1.5		1.5	37.5
Sewer & roads cost			3.5	3.5	3.5
Property Tax Break			5	5	125
Business tax holiday			0.4	0.4	10
Amusement tax holiday			1.5	1.5	37.5
Total	\$12	\$14.5	\$20	\$47	\$248.5

Throne Speech Steps in the Right Direction

By Walter Robinson

After several years of drift could it be possible that the Mike Harris government has truly found its conservative way again? If this spring's Throne Speech is any indication – along with the post Throne Speech rollout of policy initiatives – it appears as though the Premier and his team have once again been infected with the "common sense revolutionary" bug that swept them into power six years ago.

Entitled *21 Steps Into the 21st Century*, the

government has laid out a compelling plan to re-assert Ontario's economic prosperity. The titles of each step are enough to make even the most modest small-c conservatives ooze with joy. Take a look at each step:

1. Removing Barriers to Jobs, Investment and Growth
2. Paying Down Debt
3. Smaller Government
4. More Efficient Government
5. Improved Customer Service and E-Government
6. Preparing for the new Economy
7. Promoting Growth Among All Regions and Industries
8. Holding the Broad Public Sector Accountable to Taxpayers
9. Smart Growth
10. Flexibility and Choice in Education
11. High Education Standards and Performance-Based Accountability
12. Giving Our Children the Best Start in Life
13. Post-Secondary Access for Each Qualified Student
14. Ensuring a Skilled Workforce
15. National Leadership in Health Care Reform
16. Improving Health Services
17. Protecting Environmental Health and Safety
18. Helping People Off Welfare Into Jobs
19. Enhancing Community Safety and Victims' Rights
20. Equal Opportunity for All Citizens
21. Parliamentary Reform

The CTF has been instrumental in pushing many

On Healthcare...

CTF Pre-Budget Submission ...

"To date, Ontario has chosen the politically expedient route of "throwing more money at the problem." At current rates, this irresponsible strategy will lead to health care expenditures consuming the entire Ontario budget by fiscal 2038/2039..."

While lower health care growth rates and higher overall annual budget revenue growth could move the health care breaking point from 2038 to 2045, 2050, 2055 or farther out, the conclusion is the same, **current expenditure trends are unsustainable...**

Outcomes analysis, restructuring health care governance, primary care reform and other initiatives are necessary and long overdue..."

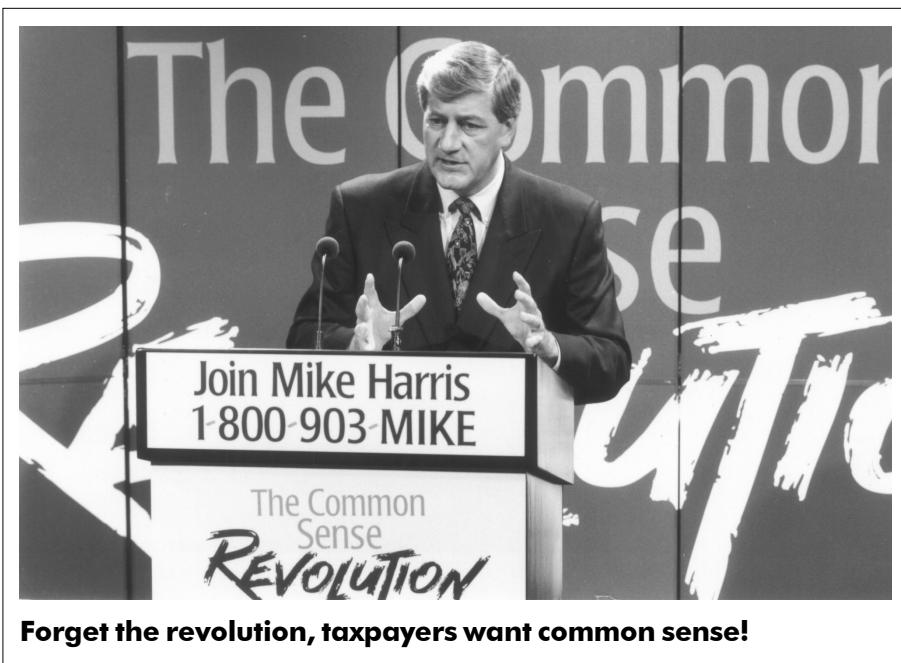
Throne Speech ...

"Your government wants to ensure that all people have access to quality health care, where and when they need it ... however, double-digit increases in health spending are no longer sustainable. In the absence of fundamental reform, increased funding is no answer to the national crisis facing the health care system."

ONTARIO

of these themes back onto the front burner of the government's agenda. In fact, several Throne Speech commitments were lifted almost directly from our pre-budget submission earlier this year in February. But don't take our word for it, judge for yourself.

The CTF will be watching the Harris government closely to ensure it does not stumble as it climbs its 21 steps toward 21st century focused and accountable government! ■



On debt repayment

CTF Pre-Budget Submission ...

"Recommendation #1: That the Ontario government institutes a legislated schedule of debt reduction."

Throne Speech ...

"The second step of the plan is to pay down the province's accumulated debt. The budget will outline the next steps."

On efficiency...

CTF Pre-Budget Submission ...

"Unless Ontario initiates an expenditure prioritization and management plan, future choices will increasingly see public service programs competing with each other. Politicians will be forced to chose between public services such as health care and education or health care and infrastructure."

Throne Speech ...

"Step 4 is to streamline government and make it more efficient."

On privatization...

CTF Pre-Budget Submission ...

"Recommendation #5: In the absence of the re-appointment of a Minister of Privatization with cross-departmental authority to recommend and execute specific privatization strategies, an all-party legislative committee should be established once during each legislature to review all relevant government operations and highlight candidates (departments, agencies, boards, commissions, program areas, etc.) for divestiture and/or alternate service delivery."

Throne Speech ...

"The third step is renewed efforts to reduce the size and scope of government. The government will sell businesses it should not operate and assets it should not own ... The government will strike a panel to make recommendations on the appropriate size of government in the 21st century: what its businesses should and shouldn't be; where it belongs and where it does not."

Handouts under Canadian Heritage

The Following is a list of the grants and contributions handed out by the federal department of Canadian Heritage in fiscal year 2000-01. The list contains a description of the program and the total amount paid under the program and a

list of grants and contributions given out to business, groups, associations etc, exceeding \$100,000. Grants are handouts with no conditions attached. Contributions mean certain conditions apply.

Grants to non-profit museums, national & international museums associations & heritage institutions for the purpose of enhancing access to Canadian Heritage:

Grants to institutions & public authorities in Canada in accordance with Section 35 of the Cultural Property Export & Import Act 1,163,600
Museum of Northern B.C. Prince Rupert BC 292,772
National Gallery of Canada 137,000
Royal Ontario Museum Toronto ON 102,988
Winnipeg Art Gallery Winnipeg MB 431,000

Grants to museums & other organizations in Canada for their operations, special projects, training, registration, purchase of equipment & construction of facilities.. 5,901,214

Alberta Museum Assoc. Edmonton 125,000
Art Gallery of Hamilton Hamilton ON 100,000
Canadian Canoe Museum Peterborough ON 125,000
Canadian Museums Assoc. Ottawa 157,500
Corp du musée Saguenay-Lac-St-Jean et du site la pulperie Chicoutimi QC 102,000
Fraser Fort George Regional Museum Prince George BC 100,000
Royal British Columbia Museum Victoria BC 197,000
Société des musées Québécois Montreal 100,000

Grant to eligible Canadian periodical publishers to defray a portion for mailing cost 43,400,000

Canada Post Corp Ottawa ON 43,050,000

Grants to organizations representing official language minority communities non-federal public administrations & other organizations for the purpose of furthering the use, acquisition & promotion of the official languages 41,133,664

Alliance des radios communautaires du Canada
Ottawa ON 226,959
Alliance Quebec Montreal QC 922,300
Assemblée communautaire fransaskoise inc Regina SK 870,248
Assoc. Canadienne française de l'Alberta secrétariat provincial Edmonton AB 565,800
Assoc. Canadienne française de l'Ontario Toronto ON 544,035
Assoc. de la presse francophone Ottawa 258,147
Association des francophones du nord-ouest de l'Ontario Thunder Bay ON 104,606
Assoc. des francophones du Nunavut Iqualuit NWT 167,550
Assoc. des municipalités bilingues du Manitoba inc Saint-Boniface MB 225,000

Assoc. des parents fransaskois Saskatoon SK	100,000	Conseil canadien de la coopération Ottawa	162,782
Assoc. des scouts du Canada Montreal	102,675	Conseil culturel Acadien de la Nouvelle-Écosse Darmouth NS	102,500
Association des théâtres francophones du Canada Ottawa ON	100,500	Conseil économique du Nouveau-Brunswick inc Moncton NB	145,000
Assoc. franco-Yukonnais Whitehorse YT	169,670	Conseil jeunesse provincial inc Saint-Boniface MB	150,000
Assoc. francophone de St-Jean St-Jean NF	103,000	Consortium de télévision Québec Canada inc Montreal QC	200,000
Assoc. francophone du Labrador Labrador NF	115,000	Direction jeunesse Ottawa ON	150,000
Canadian Parents for French Alberta Branch Calgary AB	210,172	English Speaking Catholic Council Montreal	120,000
Canadian Parents for French British Columbia branch New Westminster BC	273,863	Fédération acadienne de la Nouvelle-Écosse Dartmouth NS	870,000
Canadian Parents for French Ottawa	933,309	Fédération canadienne pour 'alphabétisation en français Ottawa	105,250
Canadian Parents for French New Brunswick Sussex NB	136,939	Fédération culturelle canadienne française Ottawa ON	479,864
Canadian Parents for French Newfoundland St John's NF	123,082	Fédération de la jeunesse canadienne française Ottawa	541,849
Canadian Parents for French Ontario Toronto	319,056	Fédération des aînés francophones de l'Ontario Gloucester ON	106,020
Canadian Parents for French Prince Edward Island Charlottetown PEI	119,508	Fédération des associations de parents franco-phones de l'Ontario Gloucester ON	124,000
Canadian Parents for French Saskatchewan inc Sakatoon SK	136,737	Fédération des communautés francophone et acadienne Ottawa ON	1,333,082
Canadian Parents for French Nova Scotia Halifax NS	137,101	Fédération des francophones de la Colombie-Britannique Vancouver BC	714,406
Canadian Parents for French Manitoba Inc Winnipeg MB	134,357	Fédération des francophones de Terre-Neuve et du Labrador St John's NF	370,900
Centre culturel Aberdeen coop ltée Moncton NB	285,000	Fédération franco-ténoise Yellowknife NWT	311,400
Centre culturel franco Manitobain Saint-Boniface MB	145,000	Fédération des jeunes francophones du Nouveau-Brunswick inc Dieppe NB	161,575
Centre culturel francophone de Vancouver Vancouver BC	381,328	Fédération des parents francophones de l'Alberta Edmonton AB	150,000
Centre scolaire et communautaire Sainte Anne La Grande'Terre NF	100,000	Fédération des parents acadiens de la Nouvelle-Écosse Dartmouth NS	195,000
Cercle molière inc Saint Boniface MB	138,500	Fédération des parents francophones de Terre-Neuve et du Labrador St John's NF	137,100
Chambre économique de l'Ontario Gloucester ON	100,000	Fédération des parents de l'Île-du-Prince-Édouard Summerside PEI	120,000
Châteauguay Valley English Speaking Peoples' Assoc Huntington QC	118,000	Fédération franco-ténoise Yellowknife NWT	435,004
Coasters Assoc. for Anglophone Services St-Paul's QC	155,000	Fédération nationale des femmes canadiennes-françaises Ottawa	329,453
Collège Boréal Sudbury ON	230,000	Fédération provinciale des comités de parents du Manitoba inc Winnipeg MB	135,000
Comité de la promotion du français pour la ville de Dieppe Hull QC	100,000	Fête colombienne des enfants Surrey BC	325,000
Comité des parents du Nouveau-Brunswick Dieppe NB	186,935	Festival franco-Ontarien (1994) inc Ottawa	200,000
Comité nationale du développement des ressources humaines Ottawa ON	135,500	Fondation du collège boréal New Liskeard Sudbury ON	230,000
Commission nationale des parents francophones Winnipeg MB	295,313	Fondation du Richelieu international Ottawa	124,000
Committee for Anglophone Social Action New Carlisle QC	193,000	Fondation Paul Gérin-Lajoie Montreal	200,000
Francophonie jeunesse de l'Alberta Edmonton AB	135,000	Forum Ontario francophonie mondiale Vanier ON	295,000

THE TAXPAYER

Franco-Jeunesse de Terre-Neuve et du Labrador St John's NF	143,000
Groupe jeunesse Montreal QC	200,000
Institut Joseph Debuc du collège universitaire de Saint-Boniface Saint-Boniface MB	111,400
Mississquoi Institute Westmount QC	250,000
Nouvelle Scène Ottawa ON	235,000
Outaouais Alliance Hull QC	118,000
Productions R Charbonneau inc Ottawa	688,168
Quebec Community Groups Network Ste-Anne-de-Bellevue QC	300,000
Quebec Community Newspapers Assoc. Ste-Anne-de-Bellevue QC	104,000
Quebec Farmers Assoc. Ste-Anne-de-Bellevue QC	104,000
Réseau national d'action éducation des femmes Gloucester ON	112,225
Réseau des services de santé en français de l'Est de l'Ontario Gloucester ON	300,000
Société des acadiens et acadiennes du Nouveau-Brunswick inc Petit-Rocher NB	525,000
Société des communications du Manitoba inc Winnipeg MB	467,774
Société des jeux de l'Acadie inc Petit-Rocher NB	102,000
Société franco manitobaine Saint-Boniface MB	1,054,670
Société Maillardville-Uni Coquitlam BC	158,000
Société nationale de l'acadie Dieppe NB	151,000
Société Saint-Thomas d'aquin Summerside PEI	227,800
Théâtre populaire d'Acadie/Productions de l'Étoile de l'Est Caraquet NB	100,000
Townshippers Assoc. Inc Sherbrooke QC	197,000
Université d'Ottawa centre de traduction et de documentation juridiques Ottawa	178,000
Université de Moncton centre de traduction et de terminologie juridiques Moncton NB	175,300
Université McGill centre de recherche en droit privé et comparé du Québec Montreal	100,800
Voice of English Quebec Quebec	136,000
Grants to non-profit organizations, Canadian institutions, individuals, the private & public sectors & other levels of Gov't for the purpose of furthering participation in Canadian society & to celebrate Canada Day	8,800,981
Assoc. des réalisateurs et réalisatrices du Québec Montreal QC	100,000
Assoc. for Canadian Studies Montreal	175,000
Celebrate Canada Committee for Newfoundland & Labrador St John's NF	136,500
Comité de la fête du Canada au Québec Montreal QC	4,445,762
Comité de la fête du Canada - Ville de Québec Cap-Rouge QC	214,925
Grants to non-profit organizations, universities, institutions & individuals for promoting multiculturalism	10,592,354
Costi-IIas Immigrant Services Toronto	115,000

Multicultural Council of Saskatchewan Inc Regina SK	118,000
Ontario Council of Agencies Serving Immigrants Toronto ON	135,000
Skills for Change Toronto	115,000
Grants to aboriginal friendship centres, associations specifically representing aboriginal friendship centres, aboriginal associations, aboriginal women's groups, native community groups, native communications societies	3,823,938
Federation of Newfoundland Indians Cornerbrook NF	115,389
Femmes autochtones du Québec Montreal	143,066
Indian Council of First Nations of Manitoba Inc St-Anne MB	115,389
Inuit Tapirisat of Canada Ottawa ON	389,667
Inuvialuit Regional Corporations Inuvik NWT	186,211
Kivalliq Unit Assoc. Rankin Inlet NWT	194,546
Labrador Inuit Assoc. Nain Lab	182,027
Labrador Metis Nation Happy Valley Goose Bay NF	115,389
Makivik Corp Lachine QC	201,645
Metis Nation Northwest Territories Yellowknife NWT	198,757
Native Council of Nova Scotia Truro NS	146,065
Native Council of Prince Edward Island Charlottetown PEI	115,389
New Brunswick Aboriginal Peoples Council Inc Fredericton NB	154,236
United Native Nations Society Vancouver	340,466

Contributions to non-profit museums, national & international museums associations & heritage institutions for the purpose of enhancing access to Canadian Heritage:

Contributions to Canadian museums to support their public programming activities	5,809,437
Art Gallery of Ontario Toronto ON	125,000
Assoc. pour l'avancement des sciences et des techniques de la documentation inc Montreal QC	209,240
Canadian Council of Archives Ottawa	415,030
Canadian Library Assoc. Ottawa	417,800
Canadian Museums Assoc. Ottawa	1,741,655
Cité de l'Énergie Shawinigan QC	105,000
Centre d'exposition de l'université de Montréal Montreal QC	110,000

Cultural Human Resources Council Ottawa	183,500
Heritage Canada Foundation Ottawa	272,650
Musée des Beaux-Arts de Montreal	150,000
Musée McCord d'histoire canadienne Montreal QC	105,000
Pointe-à-Callière Musée d'archéologie et d'histoire de Montréal Vieux-Montréal	105,000

Contributions to the Canadian Museums Assoc.	314,250
Canadian Museums Assoc. Ottawa	235,687

Contributions to non-profit cultural organizations & institutions to enhance cultural infrastructures & support cultural development:

Contributions to Canadian non-profit cultural organizations & institutions for arts & technology, management improvement, purchase of communications technological hardware	11,366,012
Arts Stabilization Manitoba inc Winnipeg	200,000
Bay Area Arts & Heritage Stabilization Program Hamilton ON	100,500
Canadian Institute of the Arts for Young Audiences Vancouver BC	207,988
Caribbean Cultural Committee - Caribana Toronto ON	100,000
Coup de Coeur francophone Montreal	160,000
Église orthodoxe St-Georges de Montreal	200,000
Festival d'été international de Québec inc Quebec QC	260,000
Festival de nouvelle danse inc Quebec	148,500
Festival de théâtre des amériques inc Montreal QC	279,000
Festival international de Lanaudière Joliette QC	352,500
Festival international de jazz de Montréal Montreal QC	200,000
Festival Just for Laugh Montreal	250,000
Fondation jeunesse musicales du Canada Montreal QC	700,000
Foundation for Heritage & Arts Stabilization & Enhancement New Minas NS	175,000
Governor General's Performing Arts Awards Foundation Ottawa ON	343,553
Musée du séminaire de Sherbrooke Sherbrooke QC	240,000
National Ballet of Canada Toronto	530,000
National Ballet School Toronto ON	100,000
Neptune Theatre Foundation Halifax NS ...	150,000
Orchestre Symphonique de Montreal	910,234
Prince Albert Arts Board Inc Prince Albert SK	200,000
Saskatchewan Arts Stabilization Program Inc Regina SK	100,000
Stratford Shakespearean Festival Foundation of Canada Stratford ON	695,918
Théâtre Périscope Quebec QC	100,000
Contribution to Fathers of Confederation Buildings Trust Charlottetown PEI	1,125,000
Contributions in support of publishing, sound recording & multimedia organizations to enhance their development & distribution:	
Contributions to Canadian magazine publishing industry	451,019
Canadian Magazine Publishers Assoc. Toronto	288,640
Contributions for the book publishing industry development program	30,695,150
Altitude Publishing Canada Ltd Canmore AB	167,026

THE TAXPAYER

Annick Press Ltd. Willowdale ON 199,801
 Arnold Publishing Ltd Edmonton AB 167,426
 Assoc. for the Export of Canadian Books Ottawa
 ON 3,500,000
 Assoc. nationale des éditeurs de livres Montreal
 QC 294,088
 Assoc. of Canadian Publishers Toronto 242,373
 Boréal Express Ltée Montreal QC 213,407
 Boston Mills Press Ltd. Erin ON 120,000
 Broadview press Ltd. Peterborough ON 134,621
 Canada Publishing Corp Scarborough ON 750,000
 Canadian Booksellers Assoc. Toronto 100,000
 Canadian Publisher's Council Toronto 124,988
 Canada Publishing Corp Scarborough ON 750,000
 CCI Learning Solutions Inc Maple Ridge BC 185,870
 Corp des éditions Fides Montreal 138,998
 Crabtree Publishing Co. Ltd. St Catherines
 ON 486,119
 Douglas & McIntyre Ltd. Vancouver BC 390,338
 Dundurn Press Ltd. Toronto ON 106,116
 ECW Press Ltd. Toronto ON 128,300
 Éditions Brault & Bouthillier inc Cowansville
 QC 131,399
 Éditions Brimar Publishing Inc Montreal ... 750,000
 Éditions Chouette 1987 inc Montreal 176,548
 Éditions de la Chenelière inc Montreal 731,502
 Éditions de la courte échelle inc Montreal ... 211,455
 Éditions de Mortagne Boucherville QC 109,996
 Éditions du Trécarré Outremont QC 172,629
 Éditions Héritage Inc St-Lambert QC 167,616
 Editions Hurtubise HMH limitée Montreal ... 219,110
 Éditions internationales Alain Starké ltée Montreal
 QC 102,066
 Éditions la pensée inc Montreal QC 106,849
 Éditions le griffon d'argile inc Ste-Foy QC ... 101,628
 Éditions Libre Expression limitée Montreal .. 132,330
 Éditions Logiques Inc Montreal QC 153,408
 Éditions Novalis Inc Montreal QC 315,812
 Éditions Phidal Inc Ville Mont-Royal QC 286,056
 Édition Québec-Amérique Inc Montreal 429,282
 Édition Québecor Inc Montreal QC 146,186
 Éditions Reynald Goulet inc Repentigny QC 116,629
 Éditions sciences et culture inc Montreal 133,045
 Éditions Septembre collection choisir en s'en c
 Ste-Foy QC 116,872
 Éditions Septembre Inc Ste-Foy QC 106,583
 Editions Tormont Inc Montreal QC 750,000
 Éditions Ulysse Montreal QC 120,521
 Éditions Yvon Blais Inc Montreal QC 224,656
 Emond Montgomery Publications Ltd.
 Toronto 101,372
 Fifth House Ltd. Calgary AB 102,470
 Firefly Books Ltd. Willowdale ON 620,264
 Frederick Harris Music Co. Ltd. Mississauga
 ON 222,525
 Gaétan Morin Éditeur limitée Boucherville
 QC 262,500
 General Distribution Services Ltd. Toronto .. 283,792
 Greey de Pencier Books Inc Toronto 103,056
 Groupe Beauchemin Éditeur Limitée Laval
 QC 382,676

Groupe Ville Marie littérature inc Montreal ... 110,316
 Guérin Éditeur Limitée Montreal QC 305,928
 International Self Counsel Press Ltd.

 North Vancouver BC 210,928
 Key Porter Books Ltd. Toronto ON 486,044
 Kids Can Press Ltd. Toronto ON 543,787
 Leméac Éditeur Inc Montreal QC 136,290
 Lidec inc Montreal QC 317,486
 Literacy Press Group of Canada Toronto 200,000
 Lone Pine Publishing Edmonton AB 235,077
 Macfarlane Walter & Ross Co Inc Toronto ... 112,500
 McClelland & Stewart Inc Toronto 637,500
 McGill Queen's University Press Montreal 147,907
 Modulo Éditeur Inc Mont-Royal QC 415,569
 Mondia Éditeurs Inc Saint-Jérôme QC 146,131
 Nimbus Publishing Ltd. Halifax NS 135,993
 Presse de l'université du Québec Ste-Foy QC 103,563
 Presse de l'université Laval Ste-Foy QC 124,778
 Publications Graficor 1989 inc Boucherville
 QC 487,500

Raincoast Book Distribution Ltd. Vancouver 391,846
 Regroupement des éditeurs canadiens-français
 Ottawa ON 120,922
 Reidmore Books Inc Edmonton AB 122,134
 Robert Rose Inc Don Mills ON 144,155
 Sogides Ltée Montreal QC 568,011
 Stoddart Publishing Co. Ltd. North York ON 390,000
 Tundra Books Inc Toronto 112,500
 University of B.C. Press Vancouver 119,691
 University of Toronto Press Inc Toronto 360,523
 Weigl Educational Publishers Ltd. Calgary
 AB 130,101
 Whitecap Books Ltd North Vancouver BC 203,664
 Wilson et Lafleur Ltée Montreal QC 119,032

Contributions for the Sound Recording Development Program 8,900,000
 Assoc. québécoise de l'industrie du disque du
 spectacle et de la vidéo inc Montreal 140,000
 Canadian Independent Record Production Assoc.
 Toronto ON 140,000
 Factor Musicaction Canada Montreal 8,525,000

Contribution for the Multimedia Investment Fund 5,750,000
 Telefilm Canada Montreal 5,750,000

Contributions in support of broadcasting distribution 8,729,673

Aboriginal Peoples Television Network Ottawa
 ON 2,100,000
 Consortium de télévision Québec Canada inc
 Montreal 6,629,673

Contributions in support of cultural industries training initiatives 2,400,000
 Téléfilm Canada Montreal QC 2,400,000

Contributions to the Canadian Television Fund 99,550,000

Canadian Television Fund Toronto 49,775,000
 Téléfilm Canada Montreal QC 49,775,000

Contribution in support of the provision of an international services by the CBC, by means of Radio Canada Int'l 20,520,000
 Canadian Broadcasting Corp. Ottawa 20,520,000

Contributions under the terms & conditions of federal/provincial agreements to support regional cultural development..... 986,853
 Alberta Cultural Industries Assoc Edmonton 132,017
 Edmonton Art Gallery Edmonton AB 334,271

Contributions to national service organizations in the areas of arts, culture, film & video & sound recording in support of services & special projects 390,000
 Canadian Conference of the Arts Ottawa 390,000

Contribution for the National Arts training program 11,381,094

Banff Center for the Arts Banff AB 900,000
 Canadian Opera Co. Toronto 150,000
 Dancer Transition Resource Centre Toronto 350,000
 École nationale de cirque Montreal 250,000
 National Academy Orchestra Hamilton 237,500
 National Ballet School Toronto 4,578,182
 National Theatre School of Canada
 Montreal 3,517,612
 Royal Conservatory of Music Toronto 906,300
 Royal Winnipeg Ballet School Winnipeg 190,000

Contributions under Special Authority 1,704,240

AV Preservation Trust Ca Toronto 150,000
 Canada's Walk of Fame Toronto 500,000
 Carnaval de Québec inc Quebec 125,000
 Fondation jeunesse musicale du Canada Montreal
 QC 250,000
 Royal Ontario Museum Toronto 140,000

Contributions to programs relating to the use of official languages in areas of provincial & territorial competence; including programs of summer language bursaries & assistance to independent schools & to associations of independent schools 215,933,173
 Assocation canadienne des professeurs d'immersion
 Nepean ON 110,000
 Canadian Assoc. of Second Language Teachers

 Nepean ON 155,000
 Collège des Grands Lacs Hull QC 155,000
 Conseil des ministres de l'éducation Canada Toronto
 ON 19,714,764

Fédération de la jeunesse canadienne française
 Ottawa ON 400,000
 Gouvernement de l'ontario trésorier provincial
 Toronto ON 64,354,298

Gouvernement de la Saskatchewan ministre des
 finances Regina SK 3,617,725

Gouvernement du Nouveau-Brunswick ministre des
 finances Fredericton NB 17,270,121

Gouvernement du Québec ministre des finances
 Quebec QC 51,526,384

Gov't of Alberta Provincial Treasurer Edmonton
 AB 13,682,598

THE TAXPAYER

Gov't of Manitoba Provincial Treasurer Educational & Professional Training Winnipeg MB . 6,178,676
 Gov't of Manitoba Provincial Treasurer Winnipeg MB 5,656,000
 Gov't of Newfoundland & Labrador Exchequer Account St John's NF 2,499,033
 Gov't of Newfoundland & Labrador Provincial Treasurer St John's NF 293,475
 Gov't of Nova Scotia Provincial Treasurer Halifax NS 6,935,037
 Gov't of NWT Yellowknife NWT 2,026,914
 Gov't of Prince Edward Island Provincial Treasurer Charlottetown PEI 1,360,716
 Gov't of Nunavut Iqaluit NWT 1,039,422
 Gov't of Yukon Department of Education Whitehorse YT 288,986
 Gov't of Yukon Territories Whitehorse BC 104,000
 Gov't of Yukon Whitehorse YT 494,399
 Ministry of Finance Province of British Columbia Victoria BC 12,106,370
 Ontario Private Schools Toronto ON 798,707
 Regroupement des universités de la francophonie hors Québec Moncton NB 155,000
 Regroupement des universités de la francophonie hors Québec Ottawa 589,460
 University of Ottawa Ottawa 1,220,383

Contributions to organizations representing official language minority communities, non-federal public administrations & other organizations for the purpose of furthering the use, acquisition & promotion of the official languages **25,354,375**

Assoc. francophones des municipalités du Nouveau-Brunswick inc Petit-Rocher NB 463,024
 Centre Scolaire Communautaire de London London ON 274,500
 Chambre de commerce du Québec Montréal QC 1,173,318
 Comité national de développement des ressources humaines de la francophonie canadienne Ottawa ON 127,000
 Conseil de développement économique des municipalités bilingues du Manitoba Saint-Boniface MB 112,500
 Conseil de la coopération de l'ontario Ottawa 558,847
 Conseil de la coopération de la Saskatchewan Regina SK 447,164
 Conseil pour l'unité canadienne Montreal 3,772,000
 Équipe spectra inc Hull QC 2,267,891
 Fédération de la jeunesse canadienne française Ottawa ON 536,786
 Gov't of Nova-Scotia 292,000
 Gov't of Manitoba Hull QC 160,000
 Gov't of Prince Edward Island Charlottetown PEI 1,526,500
 Gouvernement de la Saskatchewan ministre des finances Regina SK 315,000
 Gov't of Yukon Hull QC 1,557,500
 Gov't of NWT Hull QC 1,575,000
 Nouvelle scène Ottawa ON 165,000

Pays de la Sagouine Bouctouche NB 682,500
 Province of New Brunswick Hull QC 1,770,000
 Province of Newfoundland & Labrador Hull QC 350,000
 Province of Ontario Hull QC 1,465,450
 Rendez-vous de la francophonie inc Ottawa 960,500
 Société éducative de l'Alberta Edmonton 543,361
 Territoire du Nunavut Hull QC 574,200
 TVOntario TFO Toronto ON 1,100,000

Contributions to non-profit organizations, Canadian institutions, individuals, the private & public sectors & other levels of Gov't for the purpose of furthering participation in Canadian society..... **26,702,246**

Canada Sports Friendship Exchange Programs Montreal QC 200,000
 Canadian 4 h council Ottawa ON 155,172
 Conseil pour l'unité canadienne Ontario Ottawa ON 1,650,000
 Conseil pour l'unité canadienne Hull QC 4,000,000
 Court Challenge Program of Canada Winnipeg MB 3,449,865
 Dictionnaire Biographique du Canada Quebec QC 100,000
 Échange sur les études canadiennes - Chapitre du Manitoba Winnipeg 115,000
 Federation of Canadian municipalities 400,000
 Foundation for the Study of Processes of Gov't in Canada Ottawa ON 312,330
 Governor General's Canadian Study Conference 2000 Edmonton AB 500,000
 Katimavik - Opcan Inc Montreal QC 12,138,308
 Society for Educational Visits & Exchanges in Canada Nepean ON 3,992,700
 Young Men's Christian Assoc. of Greater Toronto Toronto ON 925,000

Contributions to non-profit organizations, universities, institutions & individuals for promoting multiculturalism **2,321,433**

Canadian Race Relations Foundation North York Region North York ON 250,000
 Canadian Teachers Associations Toronto 128,750
 Out to See Entertainment Inc Vancouver 267,500
 Young Women's Christian Assoc. of Canada Toronto ON 937,024

Contributions to aboriginal associations, aboriginal women's groups, native community groups, native communications societies, aboriginal friendship centres & associations specifically representing aboriginal friendship centres **51,745,592**

Aboriginal Multi Media Society of Alberta Edmonton AB 326,855
 Alliance autochtone du Québec inc Hull QC 280,145
 Assembly of First Nation National Indian Brotherhood Ottawa ON 4,440,000
 Congress of Aboriginal Peoples of Saskatchewan Regina SK 115,389
 Congress of Aboriginal Peoples Ottawa 460,417

Edmonton Native Healing Centre Edmonton AB 141,950
 Feather of Hope Edmonton AB 170,600
 Gov't of the NWT Yellowknife NWT 1,300,000
 Gov't of the Yukon Hull QC 1,100,000
 Innu Nation Sheshatshiu NF 115,389
 Inuit Broadcasting Corp Ottawa 1,422,904
 Inuvialuit Communications Society Inuvik NWT 389,705
 Inuvialuit Regional Corp Inuvik NWT 158,277
 James Bay Cree Communications Society Chibougamau QC 292,200
 Kitikmeot Inuit Assoc. Cambridge Bay NWT 356,896
 Kivalliq Inuit Assoc. Rankin Inlet NWT 285,368
 Labrador Inuit Assoc. Nain NF 132,600
 Makivik Corp Lachine QC 286,615
 Manitoba Metis Federation Inc Winnipeg MB 1,182,295
 Metis Nation of Alberta Assoc. Edmonton 824,708
 Metis Nation of Ontario Toronto ON 371,414
 Metis Nation of Saskatchewan Saskatoon SK 642,227
 Metis National Council of Women Inc Ottawa 240,000
 Metis National Council Ottawa 716,054
 Metis Provincial Council of British Columbia Surrey BC 371,414
 Missinipi Broadcasting Corp La Ronge SK .. 326,855
 National Assoc. of Friendship Centres Ottawa ON 24,098,413
 Native Communications Inc Winnipeg MB . 641,108
 Native Communications Society of the NWT Terrace BC 326,855
 Native Council of Canada Alberta Edmonton 115,389
 Native Women's Assoc. of Canada Ottawa ... 381,531
 Nechi Institute Edmonton AB 127,839
 Northern Native Broadcasting Yukon Whitehorse YT 1,005,769
 Northern Native Broadcasting Terrace Terrace BC 326,855
 Office of the Prince Albert Grand Council Urban Services Edmonton AB 166,236
 Okalakatiget Society Nain NF 389,705
 Ontario Metis Aboriginal Assoc. Sault-Ste-Marie ON 339,400
 Pauktuutit Inuit Women's Assoc. Ottawa 266,990
 Prince Albert Metis Women's Assoc. inc Prince Albert SK 136,188
 Qikiqtani Inuit Assoc. Iqaluit Nunavut 431,968
 Sacred Heart Church of the First People Edmonton AB 109,700
 SK Metis Sports Cultures Youth & Recreation Inc North Battleford SK 441,570
 Société de communication atikmekw montagnais Wendake QC 722,722
 STC Urban First Nations Services Inc Saskatoon SK 324,696
 Taqramiut Nipingat Inc Dorval QC 907,317
 Territoire du Nunavut Hull QC 284,559
 Wawatay Native Communications Society Sioux Lookout ON 1,005,770
 Western Region II A Metis Youth Council Inc

THE TAXPAYER

Saskatoon SK 168,164

Contributions to national amateur sport organizations 35,468,113

Aboriginal Sport Circle Ottawa ON 350,000
 Alpine Canada Alpine NW Calgary AB 787,925
 Athletes Canada Mississauga ON 200,000
 Athletics Canada Toronto ON 1,293,691
 Badminton Canada Gloucester ON 400,797
 Baseball Canada Gloucester ON 485,725
 Basketball Canada Etobicoke ON 879,015
 Biathlon Canada Gloucester ON 422,690
 Bobsleigh & Luge Canada Gloucester ON 511,000
 Canada Games Council Gloucester ON 162,500
 Canadian Amateur Boxing Assoc. Gloucester
 ON 521,437
 Canadian Amateur Driving Assoc. Gloucester
 ON 498,833
 Canadian Amateur Speed Skating Assoc. Gloucester
 ON 1,103,682
 Canadian Amateur Wrestling Assoc. Gloucester
 ON 571,425
 Canadian Assoc. for the Advancement of Woman & Sports Gloucester ON 325,000
 Canadian Assoc. of Disabled Skiing Kimberley
 BC 130,000
 Canadian Blind Sports Assoc. Gloucester ON 150,000
 Canadian Canoe Assoc. Gloucester ON 777,762
 Canadian Centre for Ethics in Sport Gloucester
 ON 1,900,000
 Canadian Celebral Palsy Sports Assoc. Gloucester
 ON 110,000
 Canadian Curling Assoc. Gloucester ON 609,725
 Canadian Cycling Assoc. Gloucester ON 740,725
 Canadian Equestrian Federation Ottawa 536,000
 Canadian Fencing Federation Gloucester ON 465,425
 Canadian Figure Skating Assoc. Gloucester
 ON 916,601
 Canadian Gymnastics Federation
 Oakville ON 544,925
 Canadian Hockey Assoc. Calgary AB 1,293,750
 Canadian Interuniversity Athletic Union Toronto
 ON 642,000
 Canadian Olympic Assoc. Toronto 412,500
 Canadian Paralympic Committee Gloucester
 ON 380,000
 Canadian Rugby Union Gloucester ON 533,625
 Canadian Ski Assoc. Freestyle Gloucester ON 722,125
 Canadian Soccer Assoc. Ottawa ON 585,000
 Canadian Special Olympics Toronto ON 251,500
 Canadian Table Tennis Assoc. Gloucester ON 532,627
 Canadian Yachting Assoc. Gloucester ON 734,525
 Centre national multisport-Montréal 450,000
 Coaching Assoc. of Canada Gloucester ON 2,375,000
 Cross Country Canada Canmore AB 521,125
 Field Hockey Canada Gloucester ON 699,125
 Football Canada Gloucester ON 100,000
 Judo Canada Gloucester ON 510,455
 National Sport Centre Atlantic Halifax NS ... 100,000
 National Sport Centre Calgary AB 450,000

National Sport Centre Winnipeg MB 100,000
 National Sport Centre North York ON 450,000
 National Sport Centre Vancouver BC 350,000
 Racquetball Canada Winnipeg MB 303,000
 Ringette Canada Gloucester ON 100,000
 Rowing Canada Aviron Victoria BC 975,100
 Shooting Federation of Canada Nepean
 ON 101,000
 Softball Canada Gloucester ON 668,168
 Sport Information Resource Centre Gloucester
 ON 200,000
 Squash Canada Gloucester ON 364,807
 Swimming Natation Canada Gloucester
 ON 1,468,525
 Synchro Canada Gloucester ON 772,525
 Tennis Canada Downsview ON 592,625
 Volleyball Canada Gloucester ON 891,525
 Water Polo Canada Gloucester ON 474,825
 Water Ski Canada Gloucester ON 376,325
 WTF Taekwondo Assoc. of Canada Ottawa 293,500

Contributions to outstanding amateur athletes 9,010,000

Contributions to the sponsoring organizations of multi-sport regional, national & international games 9,885,043

2001 London Alliance Canada Summer Games Host Society Inc London ON 2,000,000
 2003 Bathurst-Campbellton Canada Winter Games Host Society Inc Campbellton ON 1,088,501
 Canada Games Council Gloucester ON ... 1,000,000
 Comité organisateur des jeux de la francophonie Gloucester ON 1,600,000
 Commonwealth Games Assoc. Ottawa 122,000
 Congrès mondial du sport pour tous Québec 2000
 Québec QC 100,000
 Pan American Games Society Winnipeg MB 3,302,842
 Rowing Canada Aviron Victoria BC 175,000
 Whitehorse 2000 Arctic Winter 100,000

Contributions under special authority 268,132

National Archives of Canada 1,764,779
 Grants for Services, Awareness & Assistance . 625,000
 Canadian Council of Archives Ottawa ON.. 600,000
 Contributions to the Canadian archival community
 in support of archival projects leading to the development of a national network of Canadian archives, holdings, activities & services 673,790
 Contributions to the Canadian archival community
 in support of projects relating to the conservation of archival records, conservation research, & conservation training & information 465,989
 National Film Board 329,837
 Grants in support of significant film events of national &/or international interest held in Canada, as determined by the Board of Trustees 7,000

Financial Assistance to Canadian Individuals & non-profit organizations to support programs in cinema, to assist young filmmakers in their first major work & to promote Canadian cinematography 322,837

National Library 36,059
 Grant to International Federation of Library
 Assoc. 11,000
 Grant to International Serials Data System ... 25,059
 Parks Canada Agency 4,552,725

Grants in support of activities or projects related to national parks, national marine conservation areas, national historic sites & historic canals 22,700

Grant to the Kakivak Assoc. for the purpose of establishing & administering a national parks economics opportunities fund in Nunavut 3,000,000

Grant to the Kakivak Assoc. for the purpose of establishing the Nunavut National Parks Scholarship Trust Fund 200,000

Contributions in support of activities or projects related to national parks, national marine conservation areas, national historic sites & historic canals 705,600

Nature Conservancy of Canada Toronto 700,000
Contributions in support of activities or projects related to national parks, national marine conservation areas, national historic sites & historic canals 624,425
 Gulf of Georgia Cannery NHS Richmond BC 125,000
 Société promotion de Grand Pré Halifax NS 156,000

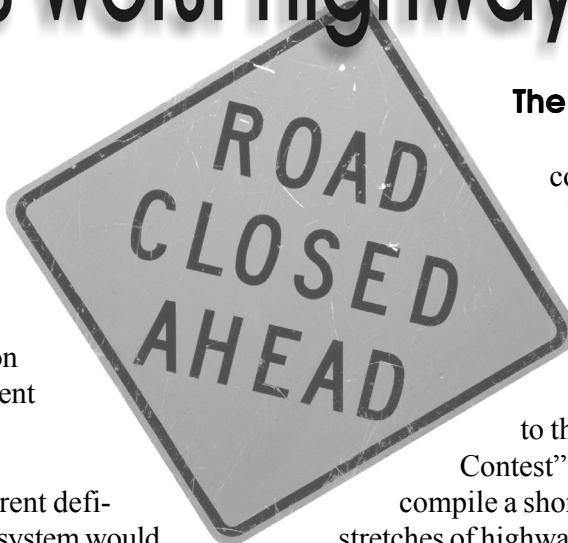
Status of Women—Office of the Co-ordinator 8,250,000

Women's Program - Grants to women's & other voluntary organizations for the purpose of furthering women's participation in Canadian society 8,250,000
 Alliance of Five Research Centres On Violence London ON 250,000
 Assoc. des Collaboratrices et Partenaires en Affaires
 Saint-Hubert QC 101,391
 Canadian Research Institute for the Advancement of Women (CRIAW) Ottawa ON 230,433
 Child Care Advocacy Assoc. of Canada
 Ottawa 175,000
 Fédération des femmes du Québec Montreal 100,000
 Feminist Alliance for International Action (FAFIA)
 Ottawa ON 242,295
 National Action Committee on the Status of Women
 Toronto ON 140,500
 National Assoc. of Women & the Law Ottawa 215,000
 National Watch on Images of Women in the Media
 Incorporated (MEDIAWATCH) Toronto ... 156,916
 Women's Centres Connect East Pennent NS 120,000
 Women's Legal Education & Action Fund Toronto
 ON 190,000

Canada's worst highway contest

Fuel Facts:

- Ottawa spent a paltry 4% of nearly \$5 billion in federal fuel tax revenues on highways and roads last year.
- In 1999-2000 the federal government spent \$190 million on highways, 96% of which was spent east of Ontario.
- The cost of correcting current deficiencies in the national highway system would cost an estimated \$17.4 billion.
- In 1998-99 the US federal government collected \$25 billion in fuel tax revenues and spent \$21 billion on roads and highways. In all, 84% of US fuel tax revenues went back into pavement.



The Contest:

To highlight the eroding condition of Canada's highways, the CTF is holding a contest to identify this country's worst stretch of highway.

Send in your nomination to the CTF's "Worst Highway Contest". A panel of experts will compile a shortlist of Canada's worst stretches of highway and select one winner this fall.

The nominee who wins the distinction of identifying the worst stretch of road will receive a free wheel alignment. Nominate the worst stretch of highway you've ever tangled with by completing and returning the form below. ■

I would like to nominate the following highway for the Worst Highway in Canada:	
Highway number:	_____
(Indicate if Federal or provincial Highway)	
Province of highway:	_____
Nearest Town/City:	_____
Description (highway markers/landmark):	_____
Your name: _____	
Address: _____	
Rural Municipality: _____	
Town/City: _____	
Province: _____	
Postal Code: _____	
Telephone: _____	
E-Mail: _____	



Send your nomination to:

Worst Highway Contest, Canadian Taxpayers Federation
212 - 428 Portage Ave., Winnipeg, MB, R3C 0E2
Fax: 204-982-2154 or E-mail: vrsnik@videon.wave.ca

Health, Dental & Insurance plans

Exclusively for CTF Supporters

Now you can choose from 4 extended care plans, and 4 dental plans. You **only pay for the level of coverage you feel you and your family need.**

Under the CTF insurance program there are two new features:

- ☛ **Acceptance of your application for basic health care coverage is guaranteed !**
- ☛ **You may choose to take the dental coverage alone!**

These features are unique compared to other plans available in the Canadian marketplace.

Also, up to \$1 million in emergency out-of-Canada coverage is included in the extended care plan for supporters under age 65 -- at no extra cost.

There is **no age limit** for participating in these plans and health and dental coverage is provided to age 90+!

**To find out more about these new health and dental plans simply
Phone your CTF Call Center toll-free (8am to 8pm EST) at:**

1-877-268-3763

**or get all the information, including an application on the
web at www.taxpayer.com**